

**PAROWAN CITY COUNCIL MEETING
February 12, 2015
Library Lounge, 16 South Main, 6:00 P.M.**

MEMBERS PRESENT: Mayor Donald G. Landes, Councilmen Alan Adams, Troy Houston, Ben Johnson, Steve Thayer, Steve Weston, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

MEMBERS ABSENT: None.

PUBLIC PRESENT: Chuck and Dottie Stade, Everett Everett, June Mesnik, JD Frisby, Kaylie Orton, Randy Jenson, Judy Schiers, Alex Sorhondo, Janie Rae Carlson, Keeli Shannon, Jim Shurtleff, Sharon Downey, Helena Mortenson, Bob Whitelaw, Mike Strong, Paul K. Smith, Larry Pendleton, Nick Bentley, Tanner Robinson, Jesse Higbee, Don Lowder, David Harmon

CALL TO ORDER: Mayor Landes called the meeting to order at 6:00 p.m.

OPENING CEREMONIES/THOUGHT/PRAYER – COUNCILMAN BEN JOHNSON: Councilman Johnson offered the invocation. He then led the Council and the public in the Pledge of Allegiance.

DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED?
Councilman Adams declared a conflict of interest as he is a reservoir company owner and the Council will be discussing reservoir company business when they discuss Center Creek. Councilman Johnson Ben declared a conflict. He has water shares with the reservoir company.

Mr. Trevor Walker from Parowan High School and a group of his choir students came in and sang a Valentine Birthday Song for Councilman Troy Houston. Happy Birthday Councilman Houston!

CONSENT MEETING

**APPROVAL OF MINTUES (JANUARY 22, 2015 CITY COUNCIL MEETING)
PURCHASE ORDERS/ WARRANT REGISTER
AIRPORT LEASE THROUGH 2021, ROBERT PARKER
SHADE TREE COMMITTEE APPOINTMENT – NANCY DALTON (Alternate)**

Mr. Scott pointed out that there is a PO for various Shade Tree purchases for the year. Usually we put who the vendor is and what the amount is they are spending. There are going to be several nurseries involved over the next couple of weeks, and so the Shade Tree committee is asking for a little bit of a blanket approval to go ahead and purchase items. Mr. Scott said many of these things would be under \$1200 and wouldn't need Council approval, but in the interest of time and getting the right trees, they are presenting this blanket PO. This is all within budget.

Councilman Weston moved to approve the consent agenda. Councilman Thayer seconded the motion. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

PO #859	Pat Benndal	\$4,500.00
PO #892	Wheeler Machinery	\$1,296.00
PO #893	Biasi Automotive	\$1,461.53
PO #894	Scholzen	\$1,659.06
PO #895	DO Concrete	\$1,942.80
PO #896	Wheeler	\$8,500.00
PO #897	Codale	\$1,301.56
PO #898	Arborist/Various Nurseries	\$9,000.00

ACTION MEETING

CENTER CREEK CHANGE ORDER – SUNRISE ENGINEERING: Mr. JD Frisby addressed the Council. In the design and bidding phase, they got nervous as they were coming down 300 South because of all of the utilities in that stretch. As they were talking to contractors and in ease of constructability they came to the conclusion that it would be easier to put in a price during the bid phase to get a competitive price to remove and alter an existing utility verses changing the alignment with the ductile iron. This was added into the bid as an add alternate, hoping to never have to use it.

Just this last week, they ran into an existing utility by the irrigation box on 300 South and 100 West. The reservoir company has a culvert coming out of there that feeds down behind the power house. It is a 60 inch culvert that they were unaware of how shallow it was. It is only 8 inches to a foot deep. It spans the whole road and there is no way of getting around it. Sunrise Engineering met with the reservoir company and discussed the options. They also spoke with Mr. Scott and decided that this would be the place to use this add alternate line item. This line item is only used to clear the path for the City.

The reservoir company decided, while they were in there working on the pipe, to participate in fixing the situation. It has been a problem for them for years. They went ahead and contacted the contractor and got a price to replace the whole thing, not just the City's section. They agreed on a price to replace the pipe and paid for the materials as well.

The \$2,800 on the change order is a price that was already in the bid sitting there as an add alternate, not as part of the base bid and not part of the budget. They are change ordering it into the budget.

Councilman Houston asked when Sunrise was doing their preliminary work to determine where the existing utilities were if this culvert was included in that. Mr. Frisby said the utilities were determined by the GIS that they had. This has been fairly accurate. When they ran into this pipe, no one had any idea what they were going through.

Councilman Johnson moved to approve the change order for \$2,800 for the add alternate. Councilman Thayer seconded the motion. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

TRAILS MASTER PLAN RFQ – TARP COMMITTEE RECOMMENDATION:

Mr. Scott said the trails committee is back together. The individual committee members scored the RFQs for the trails master plan. Mr. Scott said the scores came out very close. There is only a one point difference between the top firm and the second place firm on the list. Mr. Scott said he and Councilman Houston were talking before the meeting and there are a lot of aspects that they liked about some of the other firms. Mr. Scott said the TARP committee followed the procedure and asked a lot of good questions in regards to the firms involved.

Councilman Houston asked Mr. Frisby which project Sunrise did in Panguitch. Mr. Frisby said they were just awarded that project. He said Panquitch wants a lot of GIS mapping done as well as cost estimates for their trail heads.

Councilman Houston also asked, for his own clarification, when this is awarded is it for one trail or a whole master plan and however many trails we have. Mr. Scott said the idea of what we want to do is to sit down with whichever firm is selected along with the TARP committee and start with the design charrette that was put together a couple of years ago and go from there. They want to also find appropriate places where trails might live, evaluating rights of way and exploring funding options. Mr. Scott said when this is done, he wants to be able to take this plan to some sort of funding agency and say this is what we want to do, help us get there.

Mr. Scott said that a couple of the criteria in judging these firms were how well the firm knows Parowan and what their proximity is to Parowan. He said the best firm may be in California, but they don't know Parowan and they don't know the area.

Councilman Houston feels if these trails are done right they could bring a lot of good things to Parowan. Mr. Scott asked if the master plan can include biking, hiking and walking trails. Mr. Frisby said that the master plan can be catered to whatever the City wants. He also said that the BLM trails master plan has a preliminary plan for trails in the Parowan area, which would be nice to tie in.

Councilman Houston asked what Sunrise's success rate is for finding funding for trails. Mr. Frisby said that trails are a different ballgame and you have to be really creative with the funding agency. He said he hasn't had a lot of experience with that, although Sunrise Engineering has. He said as far as grant money goes you're not going to find a 100% grant, but we might find some 50-50% splits.

Councilman Johnson moved to accept the TARP committee's recommendation to award the contract for the trails master plan to Sunrise Engineering. Councilman Adams seconded the motion. The Mayor called for further discussion. Councilman Weston pointed out that we are awarding Sunrise because they received the most points in the

scoring. Councilman Thayer asked Councilman Houston what company it was he mentioned earlier that had some experience with these trail plans. He asked if it was Sunrise or Jones and DeMille. Councilman Houston said it was another company who works closely with the BLM and the IMBA group in designing trails. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

WORK MEETING

IRON COUNTY REST HOME PRESENTATION – JOHN BROWN: Mayor Landes explained that we have a situation where we are trying to keep the Iron County rest home open and continue to employ the 42 people who work there. There are some programs available that would enable the City to assist them in doing this. It would require a little seed money from the City up front, which would be immediately refunded. The Mayor said it is basically a win-win situation.

Mayor Landes said he and Mr. Scott, along with Councilman Johnson and Councilman Weston, met with the principals from the rest home this afternoon. Councilman Weston said it's not just the idea of saving jobs, but also the concept of the velocity of money. They will be spending money and putting \$1.5 million a year into the rest home and the community. He said that our facility is mostly used by locals who want to stay close to family. He added that this would be a wash for the City and might possibly bring in a little revenue.

Mayor Landes assured the public that nothing has been permanently considered. They have asked the principals to put together a contract for Attorney Wayment to review before we do anything. Councilman Johnson added that one of the points on the contract is that the care at the facility is exceptional, but the facility itself is terrible. So as part of this agreement, the City would like to see that they invest the money back into the facility. He said the City would actually hold the rights to a care facility in Parowan, and will lease it back to the owner of the rest home to cover our seed money cost. This is fairly low risk for the City, and is an annually renewable contract.

Attorney Wayment said he has done some research on this and from the best he can tell this is legal on a state level. It is significantly more difficult on a federal level. His biggest concern is that there has to be an "out" to get out of the contract. He said government agencies can get involved with private industry as long as they are not in competition with local businesses.

Councilman Johnson said they are supposed to bring an agreement that we can look at, something similar to what they have done in Millard County. Councilman Weston said the options aren't good for the rest home if we don't look strongly at this option. The owner has been paying money out of his own pocket to keep the rest home afloat for several years. If he can't get some kind of help, he could just walk away. Attorney Wayment said that there are a lot of chinks in the medical world with Obamacare. It's starting to expand out and it's starting to hurt. Councilman Johnson said he thinks there

should be a caveat in the agreement that if the funding dries up from the federal side of things that we are planting the seed money into, that the contract comes to an end immediately at that point.

Councilman Weston reminded the Council that there is a time frame for this. They would like to see this agreed upon by March 1st. This item will be moved to the next action meeting. Attorney Wayment said it can always be tabled if necessary.

CENTER CREEK BYPASS CHANGE ORDER DISCUSSION – SUNRISE

ENGINEERING: Mr. Scott said the bypass is a pipe that comes into the power plant that can be shut off before it enters the power plant. The water then bypasses around the plant and dumps into the same diversion where the farmers get their water. This is a very common thing to do in hydro plants. Mr. Scott said that the diversion structure itself would be a good thing and the City would like to see that if work needs to be done on the hydro plant.

The problem is the cost of doing this is a very huge number – approximately \$175,000.00. This was part of the design package that was bid out. However, Mr. Frisby said that when they started hearing some of the pricing on these valves (they are very technical clay valves and cost around \$60,000 - \$70,000 alone), they put the bypass in as an add alternate until they could see what the budget is on the project. Now that the power house has been bid out, they have a good feel for what the contingency is. Mr. Scott said they feel like we can afford this now.

Mr. Von Mellor, Parowan Power Superintendent, has raised concerns that when you put water in the other pipe, it will lower the pressure and hurt the power generation numbers. The pipe for the hydro plant is designed to hold 11 CFS. Anything over 11 CFS, the bypass valve would open up and allow the water to flow into the pipe instead of backing up and going down the creek. This is a good thing to do, but again, when you open up the pipe, it takes away the pressure, and that hurts the power generation. There is a letter in the council packets from Mr. Jesse Ralphs of Sunrise Engineering that is his best effort to try to quantify how much pressure the City might lose if this pipe is opened up.

Councilman Houston asked how this was done with the old hydro generator. He asked if there was a bypass setup before. Mr. Scott said no, there was not. Councilman Houston pointed out that they did without a bypass system for 60 or 70 years, and now they want a bypass. Mr. Scott said back then, the bypass was essentially the creek. If the plant had to be shut down, they shut it down from the top and all of the water went into the creek. Councilman Houston said the farmers still got their water, but Mr. Scott said he thinks they would argue that they got less water.

Councilman Houston concluded then that this bypass is to benefit the farmers and not necessarily the citizens. He asked if this was a fair statement. Mr. Scott said he doesn't think it is completely fair because it does benefit the City, only not as much. Mr. Scott said if it was free, it would be a no brainer. Because it is very expensive, it is something we need to discuss and be careful about. He said it does benefit the City in that most pipe

projects have some kind of a bypass where you can keep that water. He said you can make the argument that turning the water into the creek doesn't affect the City, and that's probably a fair argument. Are there advantages to keeping that water right there at the power plant from the City's perspective?

Councilman Weston asked when this bypass would be used and who would make that determination. Mr. Frisby said that anything over the 11 CFS would automatically go into the bypass line. 90% of the time it is under that mark. So anytime there is high water that valve would open up to allow the extra water to be utilized by the reservoir company and still run the hydro plant. The bypass is for overflow and any time there would be work done on the plant.

Councilman Adams pointed out that if the plant had to shut down because of electrical issues, it could be down three months or more waiting for parts. If there isn't that bypass pipe, that water will go down the creek and that is a lot of wasted water. This is one of the reasons the farmers are nervous about it. This shouldn't be a problem with this brand new system for quite a while, but it could be in the future. He asked will it benefit the City as much as the farmers. He said probably not.

Councilman Houston asked if we are fixing a 1% problem or a 99% problem. If it is a problem that is consistently happening, then he thinks the City should do it. But if it is something that is a 1% problem, is it worth that dollar amount. He also asked who is going to pay for that. Mr. Scott said that is what they are here to decide - is it part of the project or not. If it's not, do the farmers want to do it on their own?

Mr. Scott asked Mr. Frisby if it is usual for hydro plants to feed irrigation water, and are there other plants that do this. Mr. Frisby said yes, that usually the water is being used - nobody lets water go to waste. He said as he has researched this, you won't find a power house that doesn't have a bypass line.

Councilman Adams asked if these clay valves are operated manually. Mr. Frisby said no they are automated valves, hence the price. They open automatically and allow the high flows to go through so you can utilize all of the water. Councilman Johnson pointed out that 90% of the time, we won't be utilizing this. He asked if there is some sort of manual system that could be used at high water times. Councilman Johnson declared a conflict of interest at this time because he has water shares associated with the farmers. He wondered if there is a manual system that could be opened at high water times to let the water run into a bypass pipe.

Mr. Frisby said the problem with that is that we also need to dissipate this water if you ever went directly into the bypass line. This valve does that as well. That is the key component to this valve. The other problem is that the high water fluctuates so much. It will peak at one point of the day in June and then dies down three hours later. Councilman Johnson said in those instances if you are pushing a little down the stream for that little bit of high water, he said even for a couple of hours, he can see someone opening that up. He also asked what the cost difference is. Is it a \$10,000 valve verses a

\$60,000 valve? Mr. Frisby didn't have any idea. Councilman Adams asked if a manual valve could even withstand that kind of pressure. He said they have talked about this before and those manual valves wouldn't be able to sustain those kinds of pressure and stay together.

Attorney Wayment asked if we don't have this bypass and there is too much water coming down the pipe, does that have the potential to hurt the plant. Mr. Scott said no, it will take what water it can, and will push the rest into the creek.

Councilman Houston asked about the cost of maintenance on this valve if it's not used very much. He also said that a manual valve would be extremely difficult to open and close because of the pressure. Mr. Frisby agreed and said that is why you would never put a gate valve in this situation. There is still the dissipation problem as well.

Councilman Johnson asked if this becomes a scenario where the City and the Reservoir Company would each bear their share of the burden. The City does get a little bit of benefit associated with this valve, so we could take on 20% of the cost and the farmers could take on 80% of the cost if they choose to have the valve put in. He sees the valve as a benefit to be able to shut down the water in case of repairs to the plant. All of the other aspects are benefits to the farmers.

Jeff Wood, president of the Parowan Reservoir Company, explained to Councilman Houston that the reason they have to use those clay valves is because a regular manual valve won't handle the water pressure. It would just blow it out. There are two of them in line in succession of one another so they dissipate the pressure gradually and they don't blow out. That's why they are so expensive.

Attorney Wayment asked how much it would cost to put the bypass in after the project is done. Mr. Frisby said the price will go up. We already have the contractor on site, and we will get more bang for the buck. Mr. Wayment said the reason he asks is because we can find out how often the plant breaks down in the next year or two and we would have a better idea the bypass is needed. Mr. Scott said that is a very valid point, however even when we use it, are we using it for the City and will the City benefit from its use.

Councilman Adams asked if there is no bypass valve would they just let the water go through the turbine to drain. Mr. Frisby said it would just drain through the power house as long as they aren't doing work on the wheel. Councilman Johnson asked if they are doing work on the wheel, then would they have the full length of the pipe to drain out. Mr. Frisby said there will be a needle valve inside the house that can be shut all the way down and still keep the water in the pipe.

Councilman Johnson said that if the power plant goes down, then the impact would be on the farmers and not on the City. He thinks it would be great to put the bypass valve in, but at the farmers' expense. Even if the City shares a portion of that burden, he said he thinks the majority of this should be at the farmers' expense.

Councilman Thayer asked if the farmers have any kind of proposal right now as to how much they would be willing to go. He suggested that we at least put in a Y, and be prepared to put the system in later if we need to. Councilman Adams asked if they are going to do that anyways if they decide not to do the bypass. Mr. Frisby said they pulled everything out of the bid that was bypass and put it in as an add alternate.

Mr. Wood said that one of their biggest fears as a reservoir company is not necessarily when the plant is down, but when the high flow is more than 11 CFS and the overflow trickles down the creek, they may never see that water because it won't be a big enough stream to wet the ditch down. It will just be wasted.

Councilman Johnson asked to be reminded if the reservoir company is paying a portion of this project. Councilman Adams said they are paying for half of it. He added that this project wouldn't have been possible if they hadn't. Councilman Johnson said if we increase this project by \$175,000, then the reservoir company is also paying half of that. Mr. Scott said it would all go to the loan and they are paying half of the loan.

Mr. Frisby said that as of right now there is just over \$320,000 in the project contingency fund. Mr. Scott said the reason this is coming to the Council now is because they were waiting for the numbers to come in to see if we could even afford it. Mayor Landes asked if we have a time problem. Mr. Frisby said that we do. It goes back to the contractor being on site and taking advantage of his prices while he is here. There is also a lead time on ordering the valve.

Councilman Weston asked if there is more study that needs to go into this before a decision is made. Mr. Scott said he can't really think of anything other than asking Mr. Mellor what he would anticipate when there are down times. He should be asked if it is a common thing, will they be down for 3-5 months, and what would make that happen.

Councilman Houston asked who will be responsible for and pay for the maintenance on those valves. Mr. Scott said he thinks it would be the City. He thinks it would be required as part of the FERC license.

Councilman Johnson said that as the Council discusses this, they really need to keep in mind that the Reservoir Company is paying 50% of the project. Whether or not it benefits the City, this needs to be part of the conversation. Councilman Weston said he feels coming up with the correct percentage is the issue. Who is going to do that? He asked if this is something we can put to action for next time if we have the numbers put to it.

Attorney Wayment said from a legal stand point the Council needs to acknowledge that they have to define, at least in good faith, what the benefit is to the City. He said you cannot take public funds and use them for a private entity. That would be a wrong expenditure of funds. So legally, the Council needs to define what the value is that the City is going to have to some degree, because if you can't define it, and just say that it is for the City, you could get sued and that would be inappropriate. You have to make sure

you spend your public funds for the public and not for private things. As the Council works through this, there has got to be data to back up their decision, or someone could challenge it.

Mr. Scott asked the Council what we can bring to them to help them make this decision. Councilman Houston would like to know how many times it has been bypassed. He said he would also like to know what percentage the problem is and whether the dollar amount to do the bypass is worth that percentage. Councilman Johnson asked that we identify the benefits for the City verses the benefits for the Reservoir Company. The Mayor reiterated what Mr. Wayment said – that there absolutely has to be a benefit to the City if we are going to use public funds.

Councilman Adams asked if he is to understand that if the Council moves forward with this that they want the Reservoir Company to pay the lion's share of the bill. If so, he feels this should be part of the discussion. He said the City Council and the Reservoir Company need to meet together and come up with a number that they can both live with. Councilman Weston said we need to designate who needs to meet together from both sides and then move it to action for next time. Attorney Wayment said he doesn't think you can come to a number until you come to a justification. Councilman Weston reminded the Council that they need to remember that the farmers are citizens as well.

Mayor Landes asked that this item be moved to the next action meeting.

NEW CITY OFFICE DESIGN BUILD TEAM SELECTION DISCUSSION: Mayor Landes said that they chose to enlist five members of the community to act as a recommendation committee for the selection of the design of the New City Hall. The committee was made up of Steve Hansen (Planning and Zoning Chair), Jim Robinson (former Mayor of Parowan City), Amber Burton (representing the younger citizens of Parowan), Jim Shurtleff (Historical Preservation Chair), and Councilman Ben Johnson.

Our engineering firm designed the criteria that had to be met and followed, and the committee evaluated all of the proposals based upon a variety of things. The first thing was that it had to be symbolic of the City of Parowan, and that's what they got. They evaluated them individually and the scoring can be seen on the screen. If anyone wants to know anything further, they can check with the Mayor or with Mr. Scott.

The committee was unanimous in recommending Larry Pendleton Building. The Mayor said he is pleased to see this recommendation come to the Council. This will be moved to the next action meeting to make it official. In the interim, the Mayor said they will work on getting a contract together.

MEMBER REPORTS:

Councilman Houston reported that today is his 51st birthday.

Councilman Adams said everything he needed to discuss has already been talked about.

Councilman Johnson reported that the Power Board met and discussed the options of looking at some local resource investments. He said Mr. Mellor has some really good ideas as far as looking at how to get that infrastructure in place for that.

Councilman Weston reported that everything is going well with the Shade Tree Committee, the Theater Board, and PAAL. Mayor Landes added that the Theater Board is presenting the play "1776". Mr. Jim Shurtleff is going to steal the show.

Councilman Thayer reported the Water Board met last night and is trying to decide what to do with the size of the pump, and whether they want to pump into the irrigation system with it as well as the culinary system. Mr. Kurt Vest asked why the City supplements the irrigation system with culinary water. His feeling is that if a resident wants to supplement their irrigation system, they should use their own culinary water to do it instead of the City pumping into that system.

PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:

Mr. Dave Harmon asked why are we are putting money back into the rest home and are we talking about a remodel or new construction. He also asked what is going on with the Iron County Ambulance service. Mayor Landes explained that all of the Iron County mayors are opposed to the County's position of liquidating assets and selling to Gold Cross. They have expressed this numerous times. They would like to see the Sheriff's department continue to run this. The County has asked if you don't like it, are you willing to pay for it. The mayors said no. Mayor Landes said his position has always been that the County is more concerned with dollar amount than health and safety of the residents. However, we are not in a position to dictate to the Commission. It is up to them. Mr. Harmon said the County is basically saying like it or lump it. The Mayor said they are supposed to make a decision on Monday, February 23rd.

Councilman Johnson addressed Mr. Harmon's rest home question. He said the City would not be investing money into the rest home as a City. He said there are monies available to non-state government entities in order to bridge the gap for the required health care and the amount that is coming in. We would take on the ability to have a care center as a City and we would lease the license back to the current operators of the rest home. We would get our full investment back. By doing this, the City would have some leverage in asking the operators to take better care of that facility.

Mr. Jim Shurtleff thanked the City Council for allowing the kids from the High School to come and attend the Council meeting. Everyone he talked to was very supportive and he appreciates that.

Mr. Mike Strong asked if the bypass wasn't included in the original plan because they weren't sure there would be money for it. Mr. Scott said that was correct, it was included in bid as an alternate. Mr. Strong asked how much Sunrise makes on this change order. Mr. Frisby said Sunrise doesn't benefit from this at all. It was designed in the original design. Mr. Strong then asked if Beaver owns their medical facilities. Mr. Wayment said that they do. Mr. Strong asked if he heard Councilman Johnson say that we would make

money, but we wouldn't put money back in to the rest home. Councilman Johnson explained that we would initially invest seed money, and we would charge them the amount of the seed money to lease the license and recuperate the seed money. So it becomes a wash. Mr. Strong stated that we could make money, but we won't lose money. Councilman Johnson stated that this was correct. Attorney Wayment added that there are provisions to protect the City. The most the City would lose is its seed money.

Mr. Randy Jensen said he thinks the reservoir company should pay the \$2800.00 on the Center Creek Change Order. He said it is the reservoir company's problem. Councilman Johnson said all the City is paying for is the \$2800 from where we are running through that. Mr. Frisby said it is cheaper for the City to help move that old pipe out of the way than to realign the new pipe. It would cost more to go around.

ADJOURN: Councilman Houston moved to adjourn the meeting. Councilman Steve Thayer seconded the motion, with all Council members voting in favor of the motion. The meeting was adjourned at 7:25 p.m.

Donald G. Landes, Mayor

Callie Bassett, City Recorder

Parowan, UT 84761
www.parowan.org

Alan Adams, Councilman
Ben Johnson, Councilman
Troy Houston, Councilman
Steve Thayer, Councilman
Steve Weston, Councilman

PURCHASE ORDER LIST

DATE February 26, 2015

[illegible]

**NOTE: If there is a negative vote please note specifically the individual item that was opposed.

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
PAROWAN, UT 84761-0576
(435) 477-3331

THIS ORDER NUMBER MUST APPEAR
ON ALL PACKAGES, INVOICES AND
SHIPPING PAPERS

TO

WHEELER

PURCHASE ORDER
NO. 0899

DATE: 2/17/2015

DELIVERY ADDRESS:

DEPARTMENT

SOLID WASTE / SHOP

ACCT. NO.

554025

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			REPAIRS TO NEW GARBAGE TRUCK		\$2,285.5

Kelly Star

DEPARTMENT HEAD

Calvin Bassett

CITY RECORDER

Judy Schiers

CITY TREASURER

Shirley Scott

CITY MANAGER

☐ APPROVED BY CITY COUNCIL 2-26-15

SERVICE INVOICE



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Salt Lake City, Utah 84141-3071

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INVOICE NUMBER	INVOICE DATE	CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	STORE	DIV	SALESMAN	TERMS	PAGE
SS000045022	02-12-15	013594		05	G	500	2	3
PSO/WO NO.	DOC. DATE	PC	LC	MC	SHIP VIA			INV SEQ NO.
SG05847	01-27-15	10	10	10				4609228
MAKE	MODEL	SERIAL NUMBER			EQUIPMENT NUMBER	METER READING	MATCHID NO.	
QUANTITY	ITEM	N/R	DESCRIPTION			UNIT PRICE	EXTENSION	

1.00	SHIPPING - IN	30.00
1.00	SHIPPING - OUT	10.00
	TOTAL MISC CHGS	40.00 *
	SEGMENT 02 TOTAL	2048.21 T

TAX EXEMPTION LICENSE 11710968-002STC

Date Invoiced Received 2/13/2015

Department _____

GL Code to be Paid _____

Approval by Department Head _____

NEW TRASH TRUCK REPAIRS

COPY

* Non Returnable

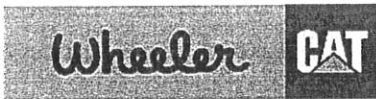
A monthly finance charge of 2% is assessed on all past due invoices on the last day on each month. In the event this invoice remains unpaid, the customer is responsible for all attorney/collection fees and costs. For any questions please contact 801-974-0511

PAY THIS AMOUNT 2,285.51

AMOUNT CREDITED

DUE DATE: 03-14-2015

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PO BOX 576
PAROWAN UT 84761

INVOICE NUMBER SS000045022		INVOICE DATE 02-12-15		CUSTOMER NUMBER 013594		CUSTOMER ORDER NUMBER		STORE 05	DIV G	SALESMAN 500	TERMS 2	PAGE 1
PSO/WO NO. SG05847		DOC. DATE 01-27-15		PC 10	LC 10	MC 10	SHIP VIA				INV SEQ NO. 4609228	
MAKE	MODEL		SERIAL NUMBER			EQUIPMENT NUMBER		METER READING		MATCHID NO.		
QUANTITY	ITEM			*N/R	DESCRIPTION			UNIT PRICE		EXTENSION		

REPAIR HYDRAULIC CYLINDERS

CUSTOMER COMPLAINT:

REPAIR 3 STAGE CYLINDER

REPAIR PROCESS COMMENTS:

CUSTOMER DROP OFF CYLINDER FOR NEEDED REPAIRS
.CYLINDER WAS LEAKING FROM ONE OF THE CAP SEALS
.SET THE CYLINDER ON THE TEAR DOWN BENCH AND
STARTED TO REMOVE THE CYLINDER ROD FROM THE
CYLINDER AND FOUND THE ROD ASSEMBLY WAS NONE
REBUILD ABLE AND THEIR FOR I WAS NOT ABLE TO
RESEAL IT .I THEN LET THE SHOP LEADSMAN NO OF THE
PROBLEM AND HE LET THE CUSTOMER NO AND THE
CUSTOMER CAME AND PICK IT UP FROM THE SHOP .

TOTAL LABOR	SEG. 01	237.30 *
SEGMENT 01 TOTAL		237.30 T

REPAIR HYDRAULIC CYLINDERS

CUSTOMER COMPLAINT:

REPAIR GARBAGE TRUCK CYLINDER

REPAIR PROCESS COMMENTS:

CUSTOMER DROP OFF CYLINDER TO HAVE IT RESEALED

COPY

* Non Returnable

Monthly finance charge of 2% is assessed on all past due invoices on the last day on each month. In the event this invoice remains unpaid, the customer is responsible for all attorney/collection fees and costs. For any questions please contact 801-974-0511

PAY THIS

AMOUNT

AMOUNT

CREDITED

DUE DATE: 03-14-2015

Visit us online... www.WheelerCat.com



SERVICE INVOICE

348 South 5300 West
Hurricane, UT 84737 (435) 634-9904

Please Remit To:
PO Box 413071
Salt Lake City, Utah 84141-3071

SOLD TO

SHIP TO

PAROWAN CITY CORPORATION
PO BOX 576
PAROWAN UT 84761

INVOICE NUMBER	INVOICE DATE	CUSTOMER NUMBER	CUSTOMER ORDER NUMBER		STORE	DIV	SALESMAN	TERMS	PAGE
SS000045022	02-12-15	013594			05	G	500	2	2
PSO/WO NO.	DOC. DATE	PC	LC	MC	SHIP VIA				INV SEQ NO.
SG05847	01-27-15	10	10	10					4609228
MAKE	MODEL	SERIAL NUMBER			EQUIPMENT NUMBER	METER READING		MATCHID NO.	
QUANTITY	ITEM	N/R	DESCRIPTION			UNIT PRICE		EXTENSION	

.SET THE CYLINDER ON THE TEAR DOWN BENCH AND REMOVED THE TOP CAP FROM THE CYLINDER AND THEN PULLED THE ROD ASSEMBLY FROM THE CYLINDER AND INSPECTED THE INSIDE OF THE CYLINDER FOR ANY DAMAGES AND FOUND NONE .TRIED TO REMOVED THE SET SCREW FROM THE PISTON AND IT WOULD NOT COME OUT .I THEN GOT THE SHOP LEADSMAN INVOLVED AND WE HAD TO TAKE IT OVER TO THE WELD SHOP AND SET IT UP ON THE DRILL PRESS AND DRILL IT OUT I THEN SET IT BACK ON THE TEAR DOWN BENCH AND WELDED UP THE NEEDED TOOLING TO REMOVE THE PISTON FROM THE ROD ASSEMBLY AFTER REMOVING THE PISTON AND THE TOP CAP I THEN REMOVED THE SEALS FROM THE PISTON AND THE TOP CAP AND SENT THEM OFF TO HAVE MATCH UP FOR RESEALING . WHILE WAITING FOR THE SEALS TO ARRIVE I DRILLED OUT THE SET SCREW HOLE AND RAN A TAP TO PUT A SET SCREW IN THE PISTON .INSTALLED NEW SEALS ON THE PISTON AND IN THE TOP CAP ASSEMBLY AND REINSTALLED BACK ON THE ROD TIGHTEN THE SET SCREW DOWN TO LOCK THE PISTON ON THE ROD ASSEMBLY AND REINSTALLED THE ROD ASSEMBLY BACK IN THE CYLINDER TIGHTEN THE TOP CAP BACK DOWN AND THEN SET IT ON THE DONE RACK AND LET THE SHOP LEADSMAN NO ITS DONE.

1 SEAL KIT

SEAL KIT

S

313.21

313.21

TOTAL PARTS

SEG. 02

313.21 *

F/R LBR

1695.00 *

COPY

* Non Returnable

Monthly finance charge of 2% is assessed on all past due invoices on the last day on each month. In the event this invoice remains unpaid, the customer is responsible for all attorney/collection fees and costs. For any questions please contact 801-974-0511

PAY THIS

AMOUNT

AMOUNT

CREDITED

DUE DATE: 03-14-2015

Visit us online... www.WheelerCat.com

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
PAROWAN, UT 84761-0576
(435) 477-3331

THIS ORDER NUMBER MUST APPEAR
ON ALL PACKAGES, INVOICES AND
SHIPPING PAPERS

TO

WHEELER

PURCHASE ORDER

NO. 0900

DATE: 2/18/2015

DELIVERY ADDRESS:

DEPARTMENT

PUBLIC WORKS

ACCT. NO.

106157

ITEM
NO.

QUANTITY

UNIT

DESCRIPTION

ESTIMATED
UNIT PRICE


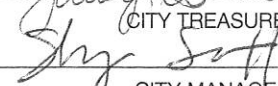
ESTIMATED
AMOUNT

CATERPILLAR EQUIPMENT

\$1,296.00


DEPARTMENT HEAD

CITY RECORDER


CITY TREASURER

CITY MANAGER

☐ APPROVED BY CITY COUNCIL 2-26-15

RENTAL / SALES INVOICE

WHEELER

CAT Rental
STORE

451 North Lund Hwy
Cedar City, UT (435) 586-6323

Please Remit To:
PO Box 413071
Salt Lake City, Utah 84141-3071

SOLD TO

PAROWAN CITY CORPORATION
PO BOX 576
PAROWAN UT 84761

SHIP TO

IRON COUNTY UTAH
PAROWAN
PAROWAN CITY YARD
SNOW REMOVAL

INVOICE NUMBER	INVOICE DATE	CUSTOMER NUMBER	CUSTOMER ORDER NUMBER	STORE	DIV	SALESMAN	TERMS	PAGE
RS0000023426	02-17-15	013594	KELLY STONE	10	G	242	2	1
AGREEMENT NO.	DOC. DATE	PC	LC	MC	SHIP VIA			INV SEQ NO.
106850	11-24-14			10	TXX PPI			341672
MAKE	MODEL	SERIAL NUMBER			EQUIPMENT NUMBER	METER READING	MATCHID NO.	
AA	924K QCF	PWR02728				268.0	LKE02340	
QUANTITY	ITEM	*N/R	DESCRIPTION			UNIT PRICE	EXTENSION	

CUSTOMER CONTACT: KELLY STONE
EQUIPMENT RENTAL FROM 01/19/15 THRU 02/15/15
CATERPILLAR MODEL 924K QCF
ID NO: LKE02340 SERIAL NO: 0PWR02728
PIN: *CAT0924KCPWR02728*

1.0

1296.00

COPY

* Non Returnable

A monthly finance charge of 2% is assessed on all past due invoices on the last day on each month. In the event this invoice remains unpaid, the customer is responsible for all attorney/collection fees and costs. For any questions please contact 801-974-0511

PAY THIS
AMOUNT 1,296.00

AMOUNT
CREDITED

DUE DATE: 03-19-2015

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
PAROWAN, UT 84761-0576
(435) 477-3331

THIS ORDER NUMBER MUST APPEAR
ON ALL PACKAGES, INVOICES AND
SHIPPING PAPERS

TO

Scholz

PURCHASE ORDER
NO. **0902**

DATE: **2-19-15**

DELIVERY ADDRESS:

DEPARTMENT *Parlo/Rec*

ACCT. NO.

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			<i>Sprinkler System (Ball Park)</i>		<i>6000⁰⁰</i>

Kell Stens
DEPARTMENT HEAD
Chloe Barnett
CITY RECORDER

Judy Scher
CITY TREASURER
Shy Scott
CITY MANAGER

☐ APPROVED BY CITY COUNCIL *2-26-15*

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
PAROWAN, UT 84761-0576
(435) 477-3331

THIS ORDER NUMBER MUST APPEAR
ON ALL PACKAGES, INVOICES AND
SHIPPING PAPERS

PURCHASE ORDER

NO. 0903

DATE: 2-20-15

DELIVERY ADDRESS:

TO SkyBlue Pools

DEPARTMENT

- Pool -

ACCT. NO.

~~17115~~ Maint + materials

ITEM
NO.

QUANTITY

UNIT

DESCRIPTION

ESTIMATED
UNIT PRICE

ESTIMATED
AMOUNT

Filtration System

6,000

[Signature]

DEPARTMENT HEAD

[Signature]

CITY RECORDER

[Signature]

CITY TREASURER

[Signature]

CITY MANAGER

☐ APPROVED BY CITY COUNCIL 2-26-15

Parowan City
Check Register
General Checking - 02/11/2015 to 02/24/2015

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
ALDO BIASI	25032	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	514023 - TRAVEL, MEALS AND L
ALDO BIASI	25032	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	524023 - TRAVEL, MEALS AND L
				\$93.00		
ALSCO-AMERICAN LINEN DIVISIO	24979	LSTG615938	02/11/2015	35.95	MAT CLEANING SERVICE	524026 - MAINTENANCE MATERI
ALSCO-AMERICAN LINEN DIVISIO	24979	LSTG615938	02/11/2015	35.95	MAT CLEANING SERVICE	544026 - MAINTENANCE MATERI
ALSCO-AMERICAN LINEN DIVISIO	25037	LSTG622236	02/24/2015	39.14	MAT CLEANING SERVICE	544026 - MAINTENANCE MATERI
ALSCO-AMERICAN LINEN DIVISIO	25037	LSTG622236	02/24/2015	39.15	MAT CLEANING SERVICE	524026 - MAINTENANCE MATERI
				\$150.19		
AM ASBESTOS & AM FIREARMS T	25038	1901	02/24/2015	960.00	ASBESTOS INSPECTION, SAMPLE, 2 DAY PRO	444031 - ENGINEERING
BENSON, ANGIE	24980	02102015	02/13/2015	108.00	HOMEMADE JELLY FOR SOUVENIR SHOP - JE	105929 - SOUVENIOR SHOP SU
BEST DEAL SPRING, INC	24981	328576	02/13/2015	331.08	'89 S 2600 DUMP TRUCK NEW SHIFTER TOWE	106125 - REPAIR TO EQUIPMEN
BIASI AUTOMOTIVE & DIESEL, INC	24982	29933	02/13/2015	1,461.53	'05 COLORADO/FRONT HUB-TIE RODS-BRAKE	105423 - TRAVEL, MEALS AND L
BONNEVILLE INDUSTRIAL SUPPL	25039	2543370-1	02/24/2015	34.51	QUIET BAND HEARING PROTECTOR	107025 - REPAIRS TO EQUIPME
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.83	SHOP SPLIT	106126 - MAINTENANCE, MATER
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.83	SHOP SPLIT	514026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.83	SHOP SPLIT	524026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.83	SHOP SPLIT	544026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.83	SHOP SPLIT	574026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560	02/24/2015	7.85	SHOP SPLIT	534026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.28	SHOP SPLIT	106126 - MAINTENANCE, MATER
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.28	SHOP SPLIT	524026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.28	SHOP SPLIT	544026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.28	SHOP SPLIT	574026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.29	SHOP SPLIT	514026 - MAINTENANCE MATERI
BONNEVILLE INDUSTRIAL SUPPL	25039	2545560-1	02/24/2015	28.35	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$251.27		
BOWEN COLLINS & ASSOCIATES,	25040	12430	02/24/2015	2,770.50	300 East Well Equipping Project # 284-14-01 Prof	511601 - CONSTRUCTION IN PR
CARLSON, BRANDON	24983	100000308.0206	02/13/2015	121.29	Deposit Refund: 100000308 - CARLSON, BRAND	532135 - CUSTOMER DEPOSITS
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	105728 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	107128 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	1.38	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	2.76	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	2.76	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	3.45	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	5.18	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	5.18	CENTURY LINK SPLIT	544028 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	6.89	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	6.90	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	10.35	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	24984	846102122015	02/13/2015	17.25	CENTURY LINK SPLIT	534028 - TELEPHONE

Parowan City
Check Register
General Checking - 02/11/2015 to 02/24/2015

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	105728 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	107128 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	4.00	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	7.99	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	7.99	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	9.99	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	14.98	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	19.95	CENTURY LINK SPLIT	544028 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	19.98	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	29.96	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	25041	338302172015	02/24/2015	49.94	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	0.85	CENTURY LINK SPLIT	534028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	0.85	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	0.85	CENTURY LINK SPLIT	105728 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	0.85	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	1.69	CENTURY LINK SPLIT	107128 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	1.69	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	3.17	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	3.17	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	4.20	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	4.23	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	6.35	CENTURY LINK SPLIT	544028 - TELEPHONE
CENTURY LINK	25041	857402202015	02/24/2015	10.58	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	534028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	105728 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	1.84	CENTURY LINK SPLIT	107128 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	3.67	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	3.67	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	4.59	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	6.88	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	6.88	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	9.15	CENTURY LINK SPLIT	544028 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	9.18	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	13.77	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	25041	910902172015	02/24/2015	22.94	CENTURY LINK SPLIT	514028 - TELEPHONE
				\$402.83		534028 - TELEPHONE
Child Support Services	25027	PR020615-4256	02/13/2015	535.38	Child Support Services	102245 - MISC/PAYROLL PAYAB

Parowan City
Check Register
General Checking - 02/11/2015 to 02/24/2015

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
COBE EVANS	25033	02232015	02/23/2015	74.87	MEAL & TRAVEL REIMBURSEMENT - RURAL W	514023 - TRAVEL, MEALS AND L
COBE EVANS	25033	02232015	02/23/2015	74.87	MEAL & TRAVEL REIMBURSEMENT - RURAL W	524023 - TRAVEL, MEALS AND L
				\$149.74		
CODALE ELECTRIC SUPPLY, INC	24985	S5286873.001	02/13/2015	295.00	UNIFORM SUPPLIES FOR BRAD REMUND	534047 - UNIFORM ALLOWANCE
CODALE ELECTRIC SUPPLY, INC	24985	S5286974.001	02/13/2015	496.00	UNIFORM SUPPLIES FOR JORDAN CANNON	534047 - UNIFORM ALLOWANCE
CODALE ELECTRIC SUPPLY, INC	24985	S5304928.001	02/13/2015	1,301.56	PIPE FITTINGS	534026 - MAINTENANCE MATERI
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.15	SHOP SPLIT	106126 - MAINTENANCE, MATER
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.15	SHOP SPLIT	514026 - MAINTENANCE MATERI
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.15	SHOP SPLIT	524026 - MAINTENANCE MATERI
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.15	SHOP SPLIT	544026 - MAINTENANCE MATERI
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.15	SHOP SPLIT	574026 - MAINTENANCE MATERI
CODALE ELECTRIC SUPPLY, INC	25042	S5318758.001	02/24/2015	2.16	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$2,105.47		
COLONIAL LIFE	24986	9813098-021051	02/13/2015	529.03	INSURANCE PREMIUM	102252 - COLONIAL INSURANCE
D.O. CONCRETE, INC.	25043	910412	02/24/2015	1,242.80	CONCRETE FINISHING LABOR - SLAB FOR CE	106139 - SIDEWALK REPAIRS
DIANE BIXMAN	25044	02202015	02/24/2015	25.00	Pet Pal Manager Membership - yearly reimbursed	105556 - PAALS
FASTENAL	24988	UTCED56651	02/13/2015	0.84	SHOP SPLIT	514026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56651	02/13/2015	0.85	SHOP SPLIT	106126 - MAINTENANCE, MATER
FASTENAL	24988	UTCED56651	02/13/2015	0.85	SHOP SPLIT	524026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56651	02/13/2015	0.85	SHOP SPLIT	534026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56651	02/13/2015	0.85	SHOP SPLIT	544026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56651	02/13/2015	0.85	SHOP SPLIT	574026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56722	02/13/2015	2.06	SHOP SPLIT	106126 - MAINTENANCE, MATER
FASTENAL	24988	UTCED56722	02/13/2015	2.06	SHOP SPLIT	514026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56722	02/13/2015	2.06	SHOP SPLIT	524026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56722	02/13/2015	2.06	SHOP SPLIT	544026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56722	02/13/2015	2.06	SHOP SPLIT	574026 - MAINTENANCE MATERI
FASTENAL	24988	UTCED56722	02/13/2015	2.07	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$17.46		
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.55	SHOP SPLIT	106126 - MAINTENANCE, MATER
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.55	SHOP SPLIT	514026 - MAINTENANCE MATERI
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.55	SHOP SPLIT	524026 - MAINTENANCE MATERI
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.55	SHOP SPLIT	544026 - MAINTENANCE MATERI
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.55	SHOP SPLIT	574026 - MAINTENANCE MATERI
FIRST CHOICE INDUSTRIAL	25045	111056	02/24/2015	30.60	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$183.35		
GCR TIRES & SERVICE	24989	703-35442	02/13/2015	170.60	PUBLIC WORKS SPLIT	106126 - MAINTENANCE, MATER
GCR TIRES & SERVICE	24989	703-35442	02/13/2015	170.62	PUBLIC WORKS SPLIT	524026 - MAINTENANCE MATERI
GCR TIRES & SERVICE	24989	703-35442	02/13/2015	170.62	PUBLIC WORKS SPLIT	514026 - MAINTENANCE MATERI
GCR TIRES & SERVICE	24989	703-35442	02/13/2015	170.62	PUBLIC WORKS SPLIT	544026 - MAINTENANCE MATERI
GCR TIRES & SERVICE	24989	703-35442	02/13/2015	170.62	PUBLIC WORKS SPLIT	574026 - MAINTENANCE MATERI
				\$853.08		
HEALTH EQUITY	2131501	PR020615-4720	02/13/2015	250.00	HSA Savings Account EE	102249 - HEALTH SAVINGS ACC

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HEALTH EQUITY	2131501	PR020615-4720	02/13/2015	800.00	HSA Savings Account	102249 - HEALTH SAVINGS ACC
				\$1,050.00		
HERO PLUMBING, LLC	25046	FEB-151074	02/24/2015	75.00	PORTABLE TOILET RENTAL - WEEKS POND	107026 - MAINTENANCE MATERI
HOLLAND EQUIPMENT COMPANY	24990	40238	02/13/2015	370.00	2 snow plow lift bylinders - '80 autocar plow and 1	106125 - REPAIR TO EQUIPMEN
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.84	SHOP SPLIT	106126 - MAINTENANCE, MATER
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.84	SHOP SPLIT	524026 - MAINTENANCE MATERI
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.84	SHOP SPLIT	544026 - MAINTENANCE MATERI
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.84	SHOP SPLIT	574026 - MAINTENANCE MATERI
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.86	SHOP SPLIT	514026 - MAINTENANCE MATERI
HOME DEPOT CREDIT SERVICES	25047	6973491	02/24/2015	34.93	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$209.15		
IMAGE PRO	24991	73322	02/13/2015	100.55	"1776" POSTERS	107365 - EVENTS & PRODUCTIO
IMAGE PRO	24991	73506	02/13/2015	44.21	"1776" TICKETS	107365 - EVENTS & PRODUCTIO
IMAGE PRO	24991	73698	02/13/2015	114.79	PAROWAN CITY BUSINESS LICENSES - 500 S	104324 - OFFICE SUPPLIES AND
				\$259.55		
INGRAM LIBRARY SERVICES	25048	02122015	02/24/2015	136.96	BOOKS	107529 - CLEF GRANT EXPENDI
JARVIS, BURDELL MOODY /VIRIG	24992	423900002.0201	02/13/2015	24.38	Deposit Refund: 423900002 - JARVIS, BURDELL	532135 - CUSTOMER DEPOSITS
JENSEN & SULLIVAN, LLC	25028	PR020615-5311	02/13/2015	335.54	Garnishment	102245 - MISC/PAYROLL PAYAB
JOHN DALTON	25031	02182015	02/18/2015	43.00	ARBORIST TRAINING MEALS REIMBURSEMENT	107023 - TRAVEL, MEALS & LOD
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	261.87	NEW CITY OFFICE - PROFESSIONAL SERVICE	105731 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	261.87	NEW CITY OFFICE - PROFESSIONAL SERVICE	105831 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	261.87	NEW CITY OFFICE - PROFESSIONAL SERVICE	106931 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	261.87	NEW CITY OFFICE - PROFESSIONAL SERVICE	107031 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	261.87	NEW CITY OFFICE - PROFESSIONAL SERVICE	108031 - PROFESSIONAL & TEC
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	2,182.25	NEW CITY OFFICE - PROFESSIONAL SERVICE	524031 - PROFESSIONAL & TEC
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	2,182.25	NEW CITY OFFICE - PROFESSIONAL SERVICE	544031 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	2,182.25	NEW CITY OFFICE - PROFESSIONAL SERVICE	554031 - PROFESSIONAL & TEC
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	2,182.25	NEW CITY OFFICE - PROFESSIONAL SERVICE	574031 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	3,928.05	NEW CITY OFFICE - PROFESSIONAL SERVICE	104231 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	3,928.05	NEW CITY OFFICE - PROFESSIONAL SERVICE	104331 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	3,928.05	NEW CITY OFFICE - PROFESSIONAL SERVICE	105431 - PROFESSIONAL AND T
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	8,729.00	NEW CITY OFFICE - PROFESSIONAL SERVICE	514031 - PROFESSIONAL & TEC
JONES & DEMILLE ENGINEERING	25049	0112579	02/24/2015	13,093.50	NEW CITY OFFICE - PROFESSIONAL SERVICE	534031 - PROFESSIONAL & TEC
				\$43,645.00		
KELLY STONES	25034	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	514023 - TRAVEL, MEALS AND L
KELLY STONES	25034	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	524023 - TRAVEL, MEALS AND L
				\$93.00		
KEN BETTRIDGE DISTRIBUTING	24993	0596150	02/13/2015	18.79	KEN BETTRIDGE SPLIT - ULS DYED DIESEL	544040 - GAS AND OIL
KEN BETTRIDGE DISTRIBUTING	24993	0596150	02/13/2015	18.79	KEN BETTRIDGE SPLIT - ULS DYED DIESEL	574040 - GAS AND OIL
KEN BETTRIDGE DISTRIBUTING	24993	0596150	02/13/2015	37.51	KEN BETTRIDGE SPLIT - ULS DYED DIESEL	524040 - GAS AND OIL
KEN BETTRIDGE DISTRIBUTING	24993	0596150	02/13/2015	75.08	KEN BETTRIDGE SPLIT - ULS DYED DIESEL	514040 - GAS AND OIL
KEN BETTRIDGE DISTRIBUTING	24993	0596150	02/13/2015	75.08	KEN BETTRIDGE SPLIT - ULS DYED DIESEL	534040 - GAS AND OIL
				\$225.25		

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L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.16	SHOP SPLIT	106126 - MAINTENANCE, MATER
L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.16	SHOP SPLIT	514026 - MAINTENANCE, MATER
L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.16	SHOP SPLIT	524026 - MAINTENANCE, MATER
L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.16	SHOP SPLIT	574026 - MAINTENANCE, MATER
L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.18	SHOP SPLIT	534026 - MAINTENANCE, MATER
L & W SERVICES OF PAROWAN IN	24994	9421	02/13/2015	7.18	SHOP SPLIT	544026 - MAINTENANCE, MATER
				\$43.00		
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	1.99	SHOP SPLIT	534026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	2.00	SHOP SPLIT	106126 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	2.00	SHOP SPLIT	514026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	2.00	SHOP SPLIT	524026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	2.00	SHOP SPLIT	544026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	24995	930304913	02/13/2015	2.00	SHOP SPLIT	574026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.78	SHOP SPLIT	534026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.79	SHOP SPLIT	106126 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.79	SHOP SPLIT	514026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.79	SHOP SPLIT	524026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.79	SHOP SPLIT	544026 - MAINTENANCE, MATER
LAWSON PRODUCTS INC	25050	9303066501	02/24/2015	6.79	SHOP SPLIT	574026 - MAINTENANCE, MATER
				\$52.72		
LEXIPOL LLC	25051	12963	02/24/2015	30.00	one year law enforcement policy manual update s	105431 - PROFESSIONAL AND T
LONG TERM DISABILITY PROGRA	25029	PR012315-354	02/13/2015	302.94	Long Term Disability	102230 - RETIREMENT PAYABLE
LONG TERM DISABILITY PROGRA	25029	PR020615-354	02/13/2015	289.35	Long Term Disability	102230 - RETIREMENT PAYABLE
				\$592.29		
LOVELL, KIM R.	24996	991903	02/13/2015	42.00	6 JARS OF HONEY FOR SOUVENIR SHOP	105929 - SOUVENIOR SHOP SU
MATHESON, DAVID CLEVE	25035	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	514023 - TRAVEL, MEALS AND L
MATHESON, DAVID CLEVE	25035	02232015	02/23/2015	46.50	MEAL REIMBURSEMENT - RURAL WATER CO	524023 - TRAVEL, MEALS AND L
				\$93.00		
MICROMARKETING ASSOCIATES	24997	559494	02/13/2015	44.98	TECHNICAL GUIDES FOR COMPUTER PROGR	107529 - CLEF GRANT EXPENDI
MICROMARKETING ASSOCIATES	25052	561287	02/24/2015	27.89	BOOKS	107529 - CLEF GRANT EXPENDI
				\$72.87		
MONSTER INK & DESIGN	24998	1235	02/13/2015	27.00	hoody for souvenir shop	105929 - SOUVENIOR SHOP SU
MONSTER INK & DESIGN	24998	1238	02/13/2015	36.00	embroidery only on shirts - Jordan Cannon	534047 - UNIFORM ALLOWANCE
				\$63.00		
MOUNT OLYMPUS WATERS, INC	24999	10217034 01301	02/13/2015	28.52	WATER COOLER RENTAL, 1 BOTTLE OF WAT	534061 - SUNDRY
MOUNT OLYMPUS WATERS, INC	24999	10220009 01301	02/13/2015	47.96	WATER COOLER RENTAL, 3 BOTTLES OF WA	514061 - SUNDRY
MOUNT OLYMPUS WATERS, INC	24999	10222960 02031	02/13/2015	56.35	WATER COOLER RENTAL, WATER AND SUPP	104361 - SUNDRY
				\$132.83		
Mountain America Credit Union	25030	PR020615-3752	02/13/2015	755.00	Credit Union	102240 - CREDIT UNION PAYAB
MOUNTAIN WEST COMPUTERS	25000	44318	02/13/2015	525.00	laserjet printer and toner for Justice Court	104224 - OFFICE SUPPLIES AND
PACE'S CULLIGAN BOTTLED WAT	25001	70028	02/13/2015	9.95	WATER COOLER RENTAL	104261 - SUNDRY

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PAROWAN CAFE	25002	02092015	02/13/2015	175.00	LUNCH FOR PAROWAN CITY EMPLOYEES MEE	104360 - EMPLOYEE LOUNGE
PAROWAN MARKET INC.	25003	121137	02/13/2015	34.72	JET SMITH - ADVERTISING - VALENTINES CAN	107222 - ADVERTISING
PAROWAN MARKET INC.	25003	181638	02/13/2015	30.00	CANDY BARS FOR THEATER - "1776"	107350 - CONCESSIONS
PAROWAN MARKET INC.	25003	211717	02/13/2015	30.20	FIRE DEPARTMENT DINNER	105723 - TRAVEL, MEALS AND L
PAROWAN MARKET INC.	25003	371641	02/13/2015	17.21	SUPPLIES FOR VISITOR'S CENTER	105926 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.09	SHOP SPLIT	534026 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.10	SHOP SPLIT	106126 - MAINTENANCE, MATER
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.10	SHOP SPLIT	514026 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.10	SHOP SPLIT	524026 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.10	SHOP SPLIT	544026 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	401118	02/13/2015	4.10	SHOP SPLIT	574026 - MAINTENANCE MATERI
PAROWAN MARKET INC.	25003	451327	02/13/2015	435.19	MEAT FOR FIRE DEPARTMENT DINNER	105723 - TRAVEL, MEALS AND L
				\$571.91		
PAROWAN TREASURER	25004	122002122015	02/13/2015	90.05	HERITAGE PARK	107027 - UTILITIES
PAROWAN TREASURER	25004	318302122015	02/13/2015	238.06	FIRE DEPARTMENT	105727 - UTILITIES
PAROWAN TREASURER	25004	318402122015	02/13/2015	39.00	PIONEER INDUSTRIAL PARK	106227 - UTILITIES
PAROWAN TREASURER	25004	410402122015	02/13/2015	74.51	AIRPORT RESTROOMS	108527 - UTILITIES & MISCELLA
PAROWAN TREASURER	25004	410502122015	02/13/2015	159.02	AIRPORT RUNWAY LIGHTS	108527 - UTILITIES & MISCELLA
PAROWAN TREASURER	25004	4105102122015	02/13/2015	226.06	DOG POUND	105527 - UTILITIES
PAROWAN TREASURER	25004	411602122015	02/13/2015	46.87	PUBLIC WORKS	514027 - UTILITIES
PAROWAN TREASURER	25004	411702122015	02/13/2015	18.76	UTILITY SPLIT	524027 - UTILITIES
PAROWAN TREASURER	25004	411702122015	02/13/2015	18.76	UTILITY SPLIT	574027 - UTILITIES
PAROWAN TREASURER	25004	411702122015	02/13/2015	37.47	UTILITY SPLIT	544027 - UTILITIES
PAROWAN TREASURER	25004	411702122015	02/13/2015	74.97	UTILITY SPLIT	514027 - UTILITIES
PAROWAN TREASURER	25004	411702122015	02/13/2015	74.97	UTILITY SPLIT	534027 - UTILITIES
PAROWAN TREASURER	25004	4117502122015	02/13/2015	182.88	WATER SHOP - SCADA METER	514027 - UTILITIES
PAROWAN TREASURER	25004	411802122015	02/13/2015	43.47	UTILITY SPLIT	574027 - UTILITIES
PAROWAN TREASURER	25004	411802122015	02/13/2015	43.48	UTILITY SPLIT	524027 - UTILITIES
PAROWAN TREASURER	25004	411802122015	02/13/2015	86.84	UTILITY SPLIT	544027 - UTILITIES
PAROWAN TREASURER	25004	411802122015	02/13/2015	173.73	UTILITY SPLIT	514027 - UTILITIES
PAROWAN TREASURER	25004	411802122015	02/13/2015	173.73	UTILITY SPLIT	534027 - UTILITIES
PAROWAN TREASURER	25004	4159002122015	02/13/2015	30.10	73 N MAIN	105927 - UTILITIES
PAROWAN TREASURER	25004	415902122015	02/13/2015	76.96	73 N MAIN #3	105927 - UTILITIES
PAROWAN TREASURER	25004	4159202122015	02/13/2015	71.07	VISITORS CENTER	105927 - UTILITIES
PAROWAN TREASURER	25004	4197002122015	02/13/2015	25.40	UTILITY SPLIT	574027 - UTILITIES
PAROWAN TREASURER	25004	4197002122015	02/13/2015	25.41	UTILITY SPLIT	524027 - UTILITIES
PAROWAN TREASURER	25004	4197002122015	02/13/2015	50.74	UTILITY SPLIT	544027 - UTILITIES
PAROWAN TREASURER	25004	4197002122015	02/13/2015	101.52	UTILITY SPLIT	514027 - UTILITIES
PAROWAN TREASURER	25004	4197002122015	02/13/2015	101.52	UTILITY SPLIT	534027 - UTILITIES
PAROWAN TREASURER	25004	419702122015	02/13/2015	0.05	UTILITY SPLIT	524027 - UTILITIES
PAROWAN TREASURER	25004	419702122015	02/13/2015	0.05	UTILITY SPLIT	574027 - UTILITIES
PAROWAN TREASURER	25004	419702122015	02/13/2015	0.10	UTILITY SPLIT	544027 - UTILITIES
PAROWAN TREASURER	25004	419702122015	02/13/2015	0.19	UTILITY SPLIT	514027 - UTILITIES
PAROWAN TREASURER	25004	419702122015	02/13/2015	0.19	UTILITY SPLIT	534027 - UTILITIES
PAROWAN TREASURER	25004	419802122015	02/13/2015	516.02	LIBRARY	107527 - UTILITIES
PAROWAN TREASURER	25004	421002122015	02/13/2015	210.47	THEATER	107327 - UTILITIES
PAROWAN TREASURER	25004	422602122015	02/13/2015	93.54	DUP OLD ROCK CHURCH	104927 - UTILITIES

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PAROWAN TREASURER	25004	423002122015	02/13/2015	88.18	JESSE SMITH HOME	104927 - UTILITIES
PAROWAN TREASURER	25004	610002122015	02/13/2015	29.42	LIONS PAVILLION	107027 - UTILITIES
PAROWAN TREASURER	25004	6100102122015	02/13/2015	99.97	SWIMMING POOL	106927 - UTILITIES
PAROWAN TREASURER	25004	614702122015	02/13/2015	50.97	CEMETERY WATER	108027 - UTILITIES
PAROWAN TREASURER	25004	614902122015	02/13/2015	1,533.81	MAIN CANYON WELL	514027 - UTILITIES
PAROWAN TREASURER	25004	615402122015	02/13/2015	104.05	CITY CHLORINATOR	574027 - UTILITIES
PAROWAN TREASURER	25004	618902122015	02/13/2015	17.92	RODEO GROUNDS	107127 - UTILITIES
PAROWAN TREASURER	25004	6189700212201	02/13/2015	300.94	EXB BUILDING	107127 - UTILITIES
PAROWAN TREASURER	25004	6189702122015	02/13/2015	139.81	FAIR GR CON	107127 - UTILITIES
PAROWAN TREASURER	25004	6189740212201	02/13/2015	19.61	BBALL FIELD	107027 - UTILITIES
PAROWAN TREASURER	25004	620002122015	02/13/2015	47.85	RACE TRACK WELL	574027 - UTILITIES
PAROWAN TREASURER	25004	751302122015	02/13/2015	10.75	MECKS POND	107027 - UTILITIES
PAROWAN TREASURER	25004	751850001	02/13/2015	10.75	POWER PLANT	534027 - UTILITIES
PAROWAN TREASURER	25004	760402122015	02/13/2015	10.75	PI 100 S & MAIN	107027 - UTILITIES
PAROWAN TREASURER	25004	760502122015	02/13/2015	10.75	CHURCH SQUARE	107027 - UTILITIES
				\$5,581.49		
PENWORTHY	25005	0006712-IN	02/13/2015	171.84	BOOKS	107529 - CLEF GRANT EXPENDI
PICTOR DESIGN	25006	3580	02/13/2015	44.85	LINUX VPS 200 - PAROWAN ORG 12/11/2014 T	107531 - PROFESSIONAL & TEC
PICTOR DESIGN	25053	3652	02/24/2015	44.85	linux vps 200 - parowan .org 3/11/2015 thru 6/10/2	107531 - PROFESSIONAL & TEC
				\$89.70		
POSTMASTER	25054	02192015	02/24/2015	16.76	POSTAGE SPLIT	107048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	16.76	POSTAGE SPLIT	107348 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	41.90	POSTAGE SPLIT	104348 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	41.90	POSTAGE SPLIT	105948 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	75.42	POSTAGE SPLIT	524048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	75.42	POSTAGE SPLIT	544048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	75.42	POSTAGE SPLIT	554048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	150.84	POSTAGE SPLIT	574048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	167.60	POSTAGE SPLIT	514048 - POSTAGE
POSTMASTER	25054	02192015	02/24/2015	175.98	POSTAGE SPLIT	534048 - POSTAGE
				\$838.00		
PUBLIC EMPLOYEES HEALTH PR	25064	0121439540	02/24/2015	29,570.78	FEBRUARY HEALTH COVERAGE/DENTAL COV	102250 - HEALTH INSURANCE P
PUBLIC EMPLOYEES HEALTH PR	25064	0121439541	02/24/2015	2,324.15	FEBRUARY HEALTH COVERAGE/DENTAL COV	102250 - HEALTH INSURANCE P
				\$31,894.93		
QUESTAR GAS	25007	008602062015	02/13/2015	364.39	16 S MAIN	534027 - UTILITIES
QUESTAR GAS	25007	223302062015	02/13/2015	30.93	33 W 100 S	104927 - UTILITIES
QUESTAR GAS	25007	298702062015	02/13/2015	274.06	405 N MAIN	534027 - UTILITIES
QUESTAR GAS	25007	320302062015	02/13/2015	178.11	73 N MAIN	105927 - UTILITIES
QUESTAR GAS	25007	325302062015	02/13/2015	1,053.15	117 S 550 E	107127 - UTILITIES
QUESTAR GAS	25007	405602062015	02/13/2015	60.74	50 W CENTER - OLD ROCK CHURCH	104927 - UTILITIES
QUESTAR GAS	25007	489202062015	02/13/2015	272.52	27 N MAIN	107327 - UTILITIES
QUESTAR GAS	25007	543602062015	02/13/2015	19.35	89 S 300 E	106927 - UTILITIES
QUESTAR GAS	25007	922502062015	02/13/2015	218.95	160 W 200 S	105727 - UTILITIES
QUESTAR GAS	25007	958802062015	02/13/2015	227.45	5 S MAIN	544027 - UTILITIES
				\$2,699.65		

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ROCKY MOUNTAIN POWER	25055	8001402172015	02/24/2015	299.16	2600 N 2600 W	544027 - UTILITIES
ROCKY MOUNTAIN POWER	25055	800302172015	02/24/2015	104.24	2650 W 2600 N	544027 - UTILITIES
				\$403.40		
ROYAL WHOLESALE ELECTRIC	25008	0980-167299	02/13/2015	-50.58	light and/or lighting supplies	107326 - MAINTENANCE MATERI
ROYAL WHOLESALE ELECTRIC	25008	0980-499224	02/13/2015	50.58	LIGHTS AND/OR LIGHTING SUPPLIES FOR TH	107326 - MAINTENANCE MATERI
ROYAL WHOLESALE ELECTRIC	25008	0980-499251	02/13/2015	36.10	lights and/or lighting supplies for theater	107326 - MAINTENANCE MATERI
				\$36.10		
SALT LAKE WHOLESALE SPORTS	25009	27030	02/13/2015	5,327.00	PROTECTIVE GEAR, MARKING CART, RED LE	105449 - SPECIAL DEPARTMEN
SCENT SOLUTIONS	25056	6546	02/24/2015	15.00	FRAGRANCE SERVICE	104326 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6014622-00	02/13/2015	1,659.06	RADIO & COPPER METER SETTER	514026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6020503-00	02/13/2015	136.32	SOLID SEWER, 6 X 6 C.I, PLTC, TO SAME FER	524026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021058-00	02/13/2015	157.00	PIPE FITTINGS FOR REPAIRS TO UNMARKED	531601 - Electric work in process
SCHOLZEN PRODUCTS	25010	6021403-00	02/13/2015	265.80	PIPE FITTINGS FOR REPAIRS TO UNMARKED	531601 - Electric work in process
SCHOLZEN PRODUCTS	25010	6021634-00	02/13/2015	382.64	CLAMP	514026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.47	SHOP SPLIT	514026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.47	SHOP SPLIT	524026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.47	SHOP SPLIT	544026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.47	SHOP SPLIT	574026 - MAINTENANCE MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.48	SHOP SPLIT	106126 - MAINTENANCE, MATERI
SCHOLZEN PRODUCTS	25010	6021640-00	02/13/2015	5.48	SHOP SPLIT	534026 - MAINTENANCE MATERI
				\$2,633.66		
SHAYNE SCOTT	25011	02092015	02/13/2015	89.60	mlage to Water Rights (Cedar), ICC (Cedar), IC	104323 - TRAVEL, MEALS AND L
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.13	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.13	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.13	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.13	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.22	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.25	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.63	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	0.63	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	1.19	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	1.19	OFFICE SUPPLIES SPLIT	544024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	1.32	OFFICE SUPPLIES SPLIT	574026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	1.98	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	2.37	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66794	02/13/2015	2.64	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.05	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.05	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.05	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.05	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.09	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.09	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.23	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.30	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.43	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND

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SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.43	OFFICE SUPPLIES SPLIT	544024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.48	OFFICE SUPPLIES SPLIT	574026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.72	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.86	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25012	66844	02/13/2015	0.96	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66343	02/24/2015	49.95	chair mat	104224 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.30	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.30	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.30	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.30	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.60	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	0.60	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	1.49	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	2.08	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	2.83	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	2.83	OFFICE SUPPLIES SPLIT	544024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	3.15	OFFICE SUPPLIES SPLIT	544026 - MAINTENANCE MATERI
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	4.72	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	5.66	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND
SOUTHERN UTAH OFFICE MACHI	25057	66923	02/24/2015	6.29	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND
				\$99.38		
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	86.00	NEW PAROWAN.ORG WEBSITE	524031 - PROFESSIONAL & TEC
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	86.00	NEW PAROWAN.ORG WEBSITE	544031 - PROFESSIONAL AND T
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	107.00	NEW PAROWAN.ORG WEBSITE	574031 - PROFESSIONAL AND T
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	108.00	NEW PAROWAN.ORG WEBSITE	554031 - PROFESSIONAL & TEC
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	172.00	NEW PAROWAN.ORG WEBSITE	514031 - PROFESSIONAL & TEC
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	193.50	NEW PAROWAN.ORG WEBSITE	534031 - PROFESSIONAL & TEC
ST. GEORGE DESIGN	25058	1271-1	02/24/2015	322.50	NEW PAROWAN.ORG WEBSITE	104331 - PROFESSIONAL AND T
				\$1,075.00		
STANLEY TALBOT	25013	02112015	02/13/2015	209.00	meal reimbursement for Lead Homicide Investigat	105423 - TRAVEL, MEALS AND L
STATE BANK OF SOUTHERN UTA	25014	159002092015	02/13/2015	37.54	WAL MART - frames	107268 - SPECIAL CELEBRATIO
STATE BANK OF SOUTHERN UTA	25014	159002092015	02/13/2015	755.29	PLASTICS FOR LIGHTING - BULBS FOR HERIT	107026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	160802092015	02/13/2015	92.99	JW PEPPER - MUSIC FOR SPRING CONCERT	107253 - CONCERTS
STATE BANK OF SOUTHERN UTA	25014	160802092015	02/13/2015	140.00	JW PEPPER - MUSIC FOR SPRING CONCERT	107253 - CONCERTS
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	35.11	FIVE GUYS- SHOT SHOW	105423 - TRAVEL, MEALS AND L
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	40.00	NATIONAL TACTICAL OFFICE	105421 - SUBSCRIPTIONS AND
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	57.75	WAL MART - BATTERIES	105426 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	105.00	NATIONAL SHOOTING SPORT	105433 - EDUCATION AND TRAI
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	157.23	BEST BUY - VOICE RECORDERS	105449 - SPECIAL DEPARTMEN
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	191.10	IMAGE PRO PRINTING - BUSINESS CARDS	105424 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	162402092015	02/13/2015	440.00	SQ LINE OF FIRE	105447 - UNIFORM ALLOWANCE
STATE BANK OF SOUTHERN UTA	25014	164002092015	02/13/2015	50.00	ACTION LOCKSMITH - got Von into his truck in S	534026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	164002092015	02/13/2015	95.45	LACROSSE FOOTWEAR - JEREMY FRANKLIN	534047 - UNIFORM ALLOWANCE
STATE BANK OF SOUTHERN UTA	25014	165702092015	02/13/2015	60.00	UTAH LIBRARY ASSOCIATION	107526 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	165702092015	02/13/2015	122.96	WAL MART - BOOKS	107529 - CLEF GRANT EXPENDI
STATE BANK OF SOUTHERN UTA	25014	165702092015	02/13/2015	127.27	WAL MART - BOOKS	107529 - CLEF GRANT EXPENDI

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STATE BANK OF SOUTHERN UTA	25014	165702092015	02/13/2015	170.00	ACT UTAH LIBRARY ASSOCIATION	107526 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	165702092015	02/13/2015	203.85	BARNES & NOBLE - BOOKS	107529 - CLEF GRANT EXPENDI
STATE BANK OF SOUTHERN UTA	25014	166502092015	02/13/2015	75.00	UT NOTARY OR LOBBYIST R - JUDY RENEWIN	104331 - PROFESSIONAL AND T
STATE BANK OF SOUTHERN UTA	25014	166502092015	02/13/2015	95.34	THE HOME DEPOT - LOCKS FOR FIRE HOUSE	105726 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	166502092015	02/13/2015	150.00	UTAH PUBLIC TREASURER'S CONFERENCE R	104333 - EDUCATION AND TRAI
STATE BANK OF SOUTHERN UTA	25014	168102092015	02/13/2015	3.50	AMERICA'S BEST INN - ST. GEORGE - EXP 1/2	102138 - SALES TAX PAYABLE
STATE BANK OF SOUTHERN UTA	25014	168102092015	02/13/2015	58.94	AMERICA'S BEST INN - ST. GEORGE - EXP 1/2	107223 - TRAVEL MEALS & LOD
STATE BANK OF SOUTHERN UTA	25014	168102092015	02/13/2015	200.00	ST GEORGE LEISURE SERVICES - EXPO FOR	107222 - ADVERTISING
STATE BANK OF SOUTHERN UTA	25014	168102092015	02/13/2015	638.00	FUTURE PRO, INC - REPLACEMENT BASKETB	107026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-1	02/13/2015	30.27	BUR*SURPLUS CENTER - 3 POWER METERS	106125 - REPAIR TO EQUIPMEN
STATE BANK OF SOUTHERN UTA	25014	389302092015-1	02/13/2015	40.00	PAYPAL - CUTRATEBATT	106125 - REPAIR TO EQUIPMEN
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.53	SHOP SPLIT	514026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.53	SHOP SPLIT	524026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.53	SHOP SPLIT	544026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.53	SHOP SPLIT	574026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.54	SHOP SPLIT	106126 - MAINTENANCE, MATER
STATE BANK OF SOUTHERN UTA	25014	389302092015-2	02/13/2015	24.59	SHOP SPLIT	106126 - MAINTENANCE, MATER
STATE BANK OF SOUTHERN UTA	25014	389302092015-3	02/13/2015	53.09	SHOP SPLIT	514026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-3	02/13/2015	53.09	SHOP SPLIT	524026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-3	02/13/2015	53.09	SHOP SPLIT	544026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-3	02/13/2015	53.09	SHOP SPLIT	574026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-3	02/13/2015	53.21	SHOP SPLIT	534026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.35	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.35	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.35	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.35	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.69	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	0.69	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	1.73	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	2.41	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	3.27	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	3.27	OFFICE SUPPLIES SPLIT	544024 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	3.64	OFFICE SUPPLIES SPLIT	574026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	5.45	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	6.54	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-4	02/13/2015	7.27	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.82	SHOP SPLIT	106126 - MAINTENANCE, MATER
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.82	SHOP SPLIT	524026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.82	SHOP SPLIT	544026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.82	SHOP SPLIT	574026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.84	SHOP SPLIT	514026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	389302092015-5	02/13/2015	37.91	SHOP SPLIT	534026 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	-100.00	cr adj - charge back proc (fraud charge	104326 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	14.97	SONNY BOYS BBQ, CEDAR WORKING LUNCH	514023 - TRAVEL, MEALS AND L
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	21.10	PAROWAN MARKET	104323 - TRAVEL, MEALS AND L
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	34.65	PAROWAN CAFE - WORK LUNCH	104323 - TRAVEL, MEALS AND L
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	51.35	PAROWAN CAFE	104123 - TRAVEL

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STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	100.00	PURCHASE DISPUTE RESOLVED	104326 - MAINTENANCE MATERI
STATE BANK OF SOUTHERN UTA	25014	483402092015	02/13/2015	705.00	UTAH LEAGUE OF CITIES AND TOWNS -	104133 - EDUCATION AND TRAI
STATE BANK OF SOUTHERN UTA	2131502	PR020615-424	02/13/2015	744.02	FICA Medicare Tax	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	2131502	PR020615-424	02/13/2015	744.02	Medicare Tax - Employer	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	2131502	PR020615-424	02/13/2015	3,181.31	FICA Social Security Tax	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	2131502	PR020615-424	02/13/2015	3,181.31	Social Security Tax - Employer	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	2131502	PR020615-424	02/13/2015	4,097.23	FWT	102222 - FEDERAL WITHHOLDIN
				\$17,676.85		
STATE OF UTAH GASCARD	25015	NP43485136	02/13/2015	39.44	GAS	104340 - Gas & Oil
STATE OF UTAH GASCARD	25015	NP43485136	02/13/2015	51.25	GAS	107240 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485136	02/13/2015	58.27	GAS	104123 - TRAVEL
STATE OF UTAH GASCARD	25015	NP43485137	02/13/2015	519.19	GAS	534040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	55.88	PUBLIC WORKS GAS SPLIT	106140 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	55.88	PUBLIC WORKS GAS SPLIT	514040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	55.88	PUBLIC WORKS GAS SPLIT	524040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	55.88	PUBLIC WORKS GAS SPLIT	544040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	55.88	PUBLIC WORKS GAS SPLIT	574040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	75.59	GAS	514040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	128.12	GAS	524040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	160.16	GAS	544040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	325.88	GAS	106140 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485138	02/13/2015	792.86	GAS	554040 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485139	02/13/2015	229.50	GAS	105740 - GAS AND OIL
STATE OF UTAH GASCARD	25015	NP43485140	02/13/2015	1,210.51	GAS	105440 - GAS AND OIL
				\$3,870.17		
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	43.31	SUNRISE MONTHLY SPLIT	544031 - PROFESSIONAL AND T
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	43.37	SUNRISE MONTHLY SPLIT	524031 - PROFESSIONAL & TEC
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	86.67	SUNRISE MONTHLY SPLIT	106131 - PROFESSIONAL AND T
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	86.67	SUNRISE MONTHLY SPLIT	514031 - PROFESSIONAL & TEC
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	86.67	SUNRISE MONTHLY SPLIT	574031 - PROFESSIONAL AND T
SUNRISE ENGINEERING, INC	25016	0076158	02/13/2015	173.31	SUNRISE MONTHLY SPLIT	534031 - PROFESSIONAL & TEC
				\$520.00		
SWRCA	25017	02102015	02/13/2015	30.00	SWRCA FEES FOR 2015 - CALLIE BASSETT &	104321 - SUBSCRIPTIONS AND
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	104214 - INSURANCE
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	105714 - INSURANCE
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	105814 - INSURANCE
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	106914 - INSURANCE
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	107114 - INSURANCE
TELADOC	25018	1277778	02/13/2015	1.24	INSURANCE SPLIT	108014 - INSURANCE
TELADOC	25018	1277778	02/13/2015	2.48	INSURANCE SPLIT	104114 - INSURANCE
TELADOC	25018	1277778	02/13/2015	6.19	INSURANCE SPLIT	105414 - INSURANCE
TELADOC	25018	1277778	02/13/2015	7.56	INSURANCE SPLIT	524014 - INSURANCE
TELADOC	25018	1277778	02/13/2015	8.64	INSURANCE SPLIT	104314 - INSURANCE
TELADOC	25018	1277778	02/13/2015	13.75	INSURANCE SPLIT	574014 - INSURANCE
TELADOC	25018	1277778	02/13/2015	17.19	INSURANCE SPLIT	544014 - INSURANCE
TELADOC	25018	1277778	02/13/2015	24.75	INSURANCE SPLIT	514014 - INSURANCE

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TELADOC	25018	1277778	02/13/2015	24.75	INSURANCE SPLIT	534014 - INSURANCE
TELADOC	25018	1277778	02/13/2015	24.75	INSURANCE SPLIT	554014 - INSURANCE
				\$137.50		
THE KEYMAKER	25059	17938	02/24/2015	4.00	2 duplicate keys for fair building - Ray VanDeWee	107126 - MAINTENANCE MATERI
THE SPECTRUM	25060	2000046608	02/24/2015	14.92	PUBLIC NOTICES & ADS SPLIT	104122 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000046608	02/24/2015	37.28	PUBLIC NOTICES & ADS SPLIT	105422 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000046608	02/24/2015	49.71	PUBLIC NOTICES & ADS SPLIT	554026 - MAINTENANCE MATERI
THE SPECTRUM	25060	2000046608	02/24/2015	74.56	PUBLIC NOTICES & ADS SPLIT	524022 - PUBLIC NOTICE AND A
THE SPECTRUM	25060	2000046608	02/24/2015	74.56	PUBLIC NOTICES & ADS SPLIT	544022 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000046608	02/24/2015	82.85	PUBLIC NOTICES & ADS SPLIT	574026 - MAINTENANCE MATERI
THE SPECTRUM	25060	2000046608	02/24/2015	96.93	PUBLIC NOTICES & ADS SPLIT	104322 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000046608	02/24/2015	149.13	PUBLIC NOTICES & ADS SPLIT	514022 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000046608	02/24/2015	248.54	PUBLIC NOTICES & ADS SPLIT	534022 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	13.45	PUBLIC NOTICES & ADS SPLIT	104122 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	33.62	PUBLIC NOTICES & ADS SPLIT	105422 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	44.83	PUBLIC NOTICES & ADS SPLIT	554026 - MAINTENANCE MATERI
THE SPECTRUM	25060	2000049680	02/24/2015	67.24	PUBLIC NOTICES & ADS SPLIT	524022 - PUBLIC NOTICE AND A
THE SPECTRUM	25060	2000049680	02/24/2015	67.24	PUBLIC NOTICES & ADS SPLIT	544022 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	74.72	PUBLIC NOTICES & ADS SPLIT	574026 - MAINTENANCE MATERI
THE SPECTRUM	25060	2000049680	02/24/2015	87.42	PUBLIC NOTICES & ADS SPLIT	104322 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	134.49	PUBLIC NOTICES & ADS SPLIT	514022 - PUBLIC NOTICES AND
THE SPECTRUM	25060	2000049680	02/24/2015	224.15	PUBLIC NOTICES & ADS SPLIT	534022 - PUBLIC NOTICES AND
				\$1,575.64		
THE UPS STORE	25019	10211	02/13/2015	192.77	POSTAGE - JEREMY FRANKLIN	534048 - POSTAGE
TYLER SULLIVAN	25036	02232015	02/23/2015	135.17	MEAL , LODGING & TRAVEL REIMBURSEMENT	524023 - TRAVEL, MEALS AND L
TYLER SULLIVAN	25036	02232015	02/23/2015	135.18	MEAL , LODGING & TRAVEL REIMBURSEMENT	514023 - TRAVEL, MEALS AND L
				\$270.35		
TYNDALE COMPANY, INC	25020	858057	02/13/2015	568.42	UNIFORM SUPPLIES - POWER DEPARTMENT	534047 - UNIFORM ALLOWANCE
UTAH AIRPORT OPERATORS ASS	25026	02132015	02/13/2015	80.00	utah airport operators association conference	108523 - TRAVEL MEALS AND L
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.67	INSURANCE SPLIT	105714 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.67	INSURANCE SPLIT	105814 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.67	INSURANCE SPLIT	106914 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.67	INSURANCE SPLIT	107114 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.67	INSURANCE SPLIT	108014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	7.68	INSURANCE SPLIT	104214 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	15.34	INSURANCE SPLIT	104114 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	38.36	INSURANCE SPLIT	105414 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	46.88	INSURANCE SPLIT	524014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	53.70	INSURANCE SPLIT	104314 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	85.24	INSURANCE SPLIT	574014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	106.55	INSURANCE SPLIT	544014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	153.43	INSURANCE SPLIT	514014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	153.43	INSURANCE SPLIT	534014 - INSURANCE
UTAH LOCAL GOVERNMENTS TR	25061	02192015 H	02/24/2015	153.43	INSURANCE SPLIT	554014 - INSURANCE

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Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	104216 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	105716 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	105816 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	106916 - WORKMANS COMP
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	107116 - WORKERS COMPENSA
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	21.58	WORKERS COMP	108016 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	43.16	WORKERS COMP	104116 - WORKER'S COMPENS
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	43.16	WORKERS COMP	105916 - WORKER'S COMPENS
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	82.99	WORKERS COMP	524016 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	82.99	WORKERS COMP	554016 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	82.99	WORKERS COMP	574016 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	107.88	WORKERS COMP	104316 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	107.89	WORKERS COMP	105416 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	199.18	WORKES COMP	544016 - WORKER'S COMPENS
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	282.17	WORKERS COMP	514016 - WORKMEN'S COMPEN
UTAH LOCAL GOVERNMENTS TR	25061	02192015 W	02/24/2015	497.95	WORKERS COMP	534016 - WORKMEN'S COMPEN
				\$2,512.23		
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	18.01	122 - Tier 2 - Police 401K	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	70.16	401k Contributions (43) %	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	111.56	43 - 401k Loan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	159.16	111 - Tier 2 Employee 457 %	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	181.59	111 - Tier 2 401k	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	200.00	401k Contributions (43) \$	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	208.33	Roth IRA	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	257.30	401k Contributions er (43)	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	305.78	122 - Tier 2 - Police Retirement	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	350.54	457 Employer % (15)	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	392.63	401k Contributions (15) \$	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	603.56	111 - Tier 2 Retirement	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	928.14	401k Contributions (15) %	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	930.04	457 Plan %	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	936.06	15 - 401k Loan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	1,223.26	122 - Tier 2 - Employer 401K	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	1,517.26	401k Contributions er (15)	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	1,922.99	43 - Police Retirement	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2131503	PR020615-487	02/13/2015	6,731.95	15 - State Retirement	102230 - RETIREMENT PAYABLE
				\$17,048.32		
UTAH VALLEY UNIVERSITY	25021	A22111	02/13/2015	60.00	EXAM AND CERTIFICATION OF INSTRUCTOR	105733 - EDUCATION AND TRAI
UTAH'S PATCHWORK PARKWAY	25022	59	02/13/2015	1,500.00	ANNUAL CONTRIBUTION TO SUPPORT THE L	104943 - PATCHWORK BI-WAY
WARNER TRUCK CENTER	25023	527725	02/13/2015	133.90	TANK - GARBAGE TRUCK REPAIR	554025 - REPAIR TO EQUIPMEN
WARNER TRUCK CENTER	25023	CM527703	02/13/2015	-124.90	CREDIT MEMO - TANK	554025 - REPAIR TO EQUIPMEN
				\$9.00		
WHEELER MACHINERY CO	25024	PS000180435	02/13/2015	216.80	GLASS & ADHESIVE - JOHN DALTON	107026 - MAINTENANCE MATERI
WHEELER MACHINERY CO	25024	PS000182174	02/13/2015	84.92	REPAIRS ON STUMP GRINDER	107057 - TREES
WHEELER MACHINERY CO	25024	RS0000022303	02/13/2015	1,296.00	CATERPILLAR RENTAL MODEL 824K QCF/SNO	106157 - EQUIPMENT RENTAL

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WHEELER MACHINERY CO	25024	RS0000022729	02/13/2015	2,125.00	CATERPILLAR EQUIPMENT RENTAL FROM 1/1	106157 - EQUIPMENT RENTAL
WHEELER MACHINERY CO	25024	RS0000022729	02/13/2015	2,125.00	CATERPILLAR EQUIPMENT RENTAL FROM 1/1	514058 - LEASE PAYMENT - WH
WHEELER MACHINERY CO	25024	RS0000022729	02/13/2015	2,125.00	CATERPILLAR EQUIPMENT RENTAL FROM 1/1	524058 - LEASE PAYMENT - WH
WHEELER MACHINERY CO	25024	RS0000022729	02/13/2015	2,125.00	CATERPILLAR EQUIPMENT RENTAL FROM 1/1	574058 - LEASE PAYMENT - WH
WHEELER MACHINERY CO	25062	RS0000023426	02/24/2015	1,296.00	EQUIPMENT RENTAL - CATERPILLAR MODEL	106157 - EQUIPMENT RENTAL
				\$11,393.72		
WORKFORCE QA	25063	1886	02/24/2015	50.00	NON DOT DRUG TEST BUNDLED - JORDAN CA	534031 - PROFESSIONAL & TEC
				\$170,579.12		

Dated _____
Mayor _____
City Council _____

City Recorder _____
City Treasurer _____

**LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH
BOND AUTHORIZING RESOLUTION
February 26, 2015**

RESOLUTION NO. LBA _____

A RESOLUTION OF THE LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH, AUTHORIZING AND APPROVING AN ANNUALLY RENEWABLE LEASE AGREEMENT, BETWEEN THE AUTHORITY AND PAROWAN CITY, UTAH; AUTHORIZING THE AUTHORITY'S \$972,000 LEASE REVENUE BONDS, SERIES 2015 FOR A CITY ADMINISTRATIVE AND PUBLIC SAFETY FACILITY AND RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, GROUND LEASE AND THE SECURITY DOCUMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, Parowan City, Utah (the "City"), has previously authorized and directed the creation of the Local Building Authority of Parowan City, Utah (the "Authority"), pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act (collectively the "Acts"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the City and the Authority desire to finance the construction of an administrative and public safety facility and related improvements for the benefit of the City (the "Project"); and

WHEREAS, the Authority (or "Issuer") now desires to finance such Project through the issuance of its \$972,000 Lease Revenue Bonds, Series 2015 (the "Series 2015 Bonds"); and

WHEREAS, the City owns the real property on which the Project will be located (the "Leased Property") and the City desires to lease the Leased Property to the Authority pursuant to a Ground Lease (the "Ground Lease"); and

WHEREAS, pursuant to a Lease Agreement, between the Authority and the City (the "Lease"), the City will lease, as lessee, the Project from the Authority on an annually renewable basis; and

WHEREAS, the plans, specifications and estimated costs of the acquisition, construction, furnishing and equipping of the Project including a certificate of the engineer/architect for the Project setting forth the estimated useful life of the Project have been submitted to the City and approved by its City Council; and

WHEREAS, the Authority will issue its Series 2015 Bonds in the total principal amount of \$972,000 bearing interest at the rate of 1.5% per annum pursuant to a Master Resolution (the "Master Resolution"); and

WHEREAS, the Authority proposes to secure its payment obligations under the Series 2015 Bonds by executing a Leasehold Deed of Trust, Assignment of Rents and Security Agreement and Assignments of Ground Lease with respect to the Project (collectively the "Security Documents") for the benefit of the holders of the Series 2015 Bonds; and

WHEREAS, the Series 2015 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

WHEREAS, the City desires to improve and promote the general welfare of the citizens of the City by entering into the Lease; and

WHEREAS, the Authority has negotiated the purchase of the Series 2015 Bonds with the Utah Permanent Community Impact Fund Board (the "Purchaser"); and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City Council authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Ground Lease, the Master Resolution, the Series 2015 Bonds and the Security Documents; and

WHEREAS, the City Council, by its Resolution dated February 26, 2015 (the "City Resolution"), has authorized, approved and directed the execution of the Lease by the City and has authorized the issuance of the Series 2015 Bonds and the financing of the construction of the Project by the Authority and has further authorized the execution of the Lease, the Master Resolution, the Ground Lease and the Security Documents, and certain other acts to be taken by the Authority in connection therewith:

NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY BOARD OF THE LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH AS FOLLOWS:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, the City Resolution or the Creating Resolution) by the Authority Board and by the officers of the Authority directed toward the issuance of the Series 2015 Bonds and the financing of the acquisition and construction of the Project are hereby ratified, approved and confirmed.

Section 2. The Authority Board hereby authorizes, approves and directs the financing of the acquisition and construction of the Project by the Authority with all or substantially all of the proceeds of the Series 2015 Bonds in accordance with the provisions of the Master Resolution, the leasing of the Project to the City by the Authority in the manner provided in the Lease and the delivery of the Security Documents by the Authority.

Section 3. The Lease in the form presented to this meeting and attached hereto as Exhibit A, is in all respects approved, authorized and confirmed and the Chair of the Authority is authorized to approve the final terms thereof and to execute and deliver the Lease in the form and with substantially the same content as set forth in Exhibit A, for and on behalf of the Authority.

Section 4. The Master Resolution in substantially the form presented to this meeting and attached hereto as Exhibit B is in all respects authorized, approved and confirmed. The Chair of the Authority is hereby authorized to execute and deliver the Master Resolution in the form and with substantially the same content as set forth in Exhibit B, for and on behalf of the Authority. A Pricing Committee consisting of the Chair and Secretary of the Authority is authorized to finalize the Master Resolution as long as the maximum amount, interest rate, maturity, and discount are within the maximum amounts in the notice of public hearing and bonds to be issued authorized on January 8, 2015.

Section 5. For the purpose of providing funds to finance the construction of the Project, and to pay certain costs of issuance and for such other purposes as may be authorized under the Master Resolution, the Authority shall issue the Series 2015 Bonds in the total principal amount of \$972,000 bearing interest at the rate of 1.5% per annum, which shall be designated the "Local Building Authority of Parowan City, Utah Lease Revenue Bonds, Series 2015."

Section 6. The Authority hereby authorizes the issuance of the Series 2015 Bonds in the total aggregate principal amount of \$972,000. The Series 2015 Bonds shall be dated as of their delivery date, and, except as otherwise provided in the Master Resolution, the Series 2015 Bonds shall bear interest at the rate of 1.5% per annum. Principal on the Series 2015 Bonds shall be payable in annual installments on October 1 of each year, commencing October 1, 2016, in accordance with the Master Resolution.

The form, terms and provisions of the Series 2015 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2015 Bonds shall mature prior to the expiration of the estimated useful life of the Project. The Chair of the Authority is hereby authorized to execute the Series 2015 Bonds, and to deliver the Series 2015 Bonds to the Purchaser. The Secretary of the Authority Board is authorized to attest to the signature of the Chair, to place the seal of the Authority on the Series 2015 Bonds and to authenticate the Series 2015 Bonds. The signatures of the Chair and of the Secretary of the Authority Board may be by facsimile or manual execution.

Section 7. The appropriate officials of the Authority are hereby authorized to execute and deliver the Security Documents in substantially the form and with substantially the same content as set forth in Exhibit C, for and on behalf of the Authority.

Section 8. The Ground Lease, in the form presented to this meeting, and attached hereto as Exhibit D, are in all respects approved, authorized and confirmed and the Chair of the Authority is authorized to approve the final terms thereof and to execute and deliver the Ground Lease in the form and with substantially the same content as set forth in Exhibit D, for and on behalf of the Authority.

Section 9. The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction and are authorized to take all action necessary in conformity with the Act and the Articles to finance the Project and to lease the Project to the City pursuant to the Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2015 Bonds.

Section 10. The appropriate officials of the Authority are authorized to make any alterations, changes or additions to the Lease, the Master Resolution, the Ground Lease and the Security Documents herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the City Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such charges.

Section 11. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the exhibits.

Section 12. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Ground Lease, the Master Resolution, the Security

Documents, the Series 2015 Bonds, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the City or the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any resolution of the Authority.

Section 13. In consideration of the purchase of the Series 2015 Bonds by the holders thereof from time to time, the obligations and undertakings of the City under the Lease, and in accordance with the provisions of the Act and the Articles, the Authority does hereby pledge to and agree with the holders of the Series 2015 Bonds and the City that the Authority, to the extent of its powers under the Articles and under the Constitution and laws of the state of Utah, including the Act, will not alter, impair or limit the rights vested in the holders of the Series 2015 Bonds or the City until the Series 2015 Bonds are deemed to have been discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 14. Upon their issuance, the Series 2015 Bonds will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2015 Bonds and the Master Resolution. No provision of this resolution or of the Lease, the Ground Lease, the Master Resolution, the Security Documents, the Series 2015 Bonds, or any other instrument, shall be construed as creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the City or its taxing powers. As specified by the City in the City Resolution, the City shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment in respect of the Series 2015 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals, and Purchase Option Price, pursuant to the Lease (as those terms are defined in the Lease), which may be terminated by the City on any annual renewal date thereof in accordance with the provisions of such Lease. The Authority has no taxing powers.

Section 15. After any of the Series 2015 Bonds are delivered to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Series 2015 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 16. In accordance with the provisions of the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, 1953, as amended, the Secretary caused a "Notice of Public Hearing and Bonds to be Issued" to be published two times in a newspaper having general circulation in the Authority and City and posted on the Utah Public Notice Website, and caused a copy of a form of this Bond Resolution to be kept on file in the office of the Secretary of the Authority for public examination during regular business hours for at least thirty (30) days from and after the first date of publication thereof.

Section 17. The Issuer held a public hearing on February 26, 2015, regarding the issuance of the Series 2015 Bonds and the economic impact on the private sector of the improvements to be financed with the Series 2015 Bonds.

Section 18. All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

Section 19. This Resolution shall become effective immediately upon adoption by the Authority Board.

ADOPTED AND APPROVED BY THE AUTHORITY BOARD OF THE
LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH, THIS FEBRUARY
26, 2015.

Chair

ATTEST:

Secretary

(L B A S E A L)

RECORD OF PROCEEDINGS

The Authority Board of the Local Building Authority of Parowan City, Utah (the "Board") met in public session at its regular meeting place, at 16 South Main Street, Parowan, Utah 84761, on February 26, 2015 (the "Meeting"), at the hour of 6:00 p.m., or as soon thereafter as feasible, with the following members of the Board being present:

Donald Landes	Chair
Alan Adams	Boardmember
Troy Houston	Boardmember
Ben Johnson	Boardmember
Steve Thayer	Boardmember
Steve Weston	Boardmember

Also present:

Callie Bassett	Secretary
Shayne Scott	City Manager

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by _____ and seconded by _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF AUTHORITY SECRETARY

I, Callie Basset, the duly appointed and qualified Secretary of the Local Building Authority of Parowan City, Utah (the "Authority"), do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Authority Board at a public meeting duly held on February 26, 2015 (the "Meeting"). The Meeting was called and noticed as required by law as is evidenced by the attached Meeting Notice and Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on February 26, 2015, and is officially of record in my possession.

I further certify that I caused the "Notice of Public Hearing and Bonds to be Issued" to be (1) published once each week for two consecutive weeks in a newspaper of general circulation in the Authority with the first publication being not less than 14 days prior to the public hearing and (2) posted on the Utah Public Notice Website not less than 14 days before the public hearing.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Authority, this February 26, 2015.

Secretary

(L B A S E A L)

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Callie Bassett, the undersigned Secretary of the Local Building Authority of Parowan City, Utah (the "Authority") do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the February 26, 2015, public meeting held by the Authority (the "Meeting") as follows:

(a) By causing a "Meeting Notice," in the form attached, to be posted at the principal office of the Authority at least 24 hours prior to the convening of the Meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Authority at least 24 hours prior to the convening of the Meeting;

(c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the convening of the Meeting; and

(d) By causing notice of the Meeting to be personally provided to each and every member of the Authority Board at least 24 hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 26, 2015.

Secretary

(L B A S E A L)

(Attach Meeting Notice and proof of posting thereof on the Utah Public Notice Website)

EXHIBIT A

LEASE AGREEMENT

(See Transcript Document No. 2)

EXHIBIT B

MASTER RESOLUTION

(See Transcript Document No. 1)

EXHIBIT C

SECURITY DOCUMENTS

(See Transcript Document Nos. 5 and 4)

EXHIBIT D

GROUND LEASE

(See Transcript Document No. 3)

MASTER RESOLUTION
OF THE
LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH
AS ISSUER
DATED AS OF
_____ 1, 2015

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MASTER RESOLUTION

WHEREAS, Parowan City, Utah (the "City") has previously authorized and directed the creation of the Local Building Authority of Parowan City, Utah (the "Authority") pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council of the City (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act (collectively the "Acts"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles") the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their cost on behalf of the City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purposes for which the City exists; and

WHEREAS, the Authority is possessed under the Articles of all powers set forth in the Acts and the Constitution and other laws of the State of Utah, including, without limitation, the power to acquire, own, hold, lease and improve real and personal property, and to enter into agreements providing for a lease, mortgage or other conveyance of real and personal property and to issue its notes, bonds or other obligations; and

WHEREAS, the City and the Authority desire to finance the construction of a City administrative and public safety facility and related improvements for the benefit of the City (the "Project"); and

WHEREAS, the Authority desires to finance the Project, in part, through the issuance of its \$972,000 Lease Revenue Bonds, Series 2015 bearing interest at a rate of 1.5% per annum (the "Series 2015 Bonds"); and

WHEREAS, pursuant to a Lease Agreement of even date herewith between the Authority and the City (the "Lease"), the City will lease, as lessee, the Project from the Authority on an annually renewable basis; and

WHEREAS, the City owns the real property on which the Project will be located and desires to lease the ground to the Authority and the Authority desires to lease the ground from the City pursuant to a Ground Lease Agreement of even date herewith (the "Ground Lease"); and

WHEREAS, under the provisions of a Resolution of the City adopted on February 12, 2015 (the "City Resolution"), the Council has authorized and approved the execution of the Lease and has authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the adoption of this Master

Resolution (or "Master Resolution") and the issuance of the Series 2015 Bonds hereunder; and

WHEREAS, pursuant to the provisions of a Resolution adopted on February 12, 2015 (the "Authority Resolution"), the Authority Board has authorized, approved and directed the execution of the Lease, and has authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance of the Series 2015 Bonds hereunder; and

WHEREAS, it has been determined by the City and the Authority that the estimated amount necessary to finance the Project and the necessary expenses incidental thereto, including the cost of issuing the Series 2015 Bonds, will require the issuance, sale and delivery of the Series 2015 Bonds in the total principal amount of \$972,000 bearing interest at a rate of 1.5% per annum, as hereinafter provided; and

WHEREAS, the Authority has determined that the Bonds (as defined herein) shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Bonds; and

WHEREAS, all acts and things required by law and by the Articles and Bylaws of the Authority necessary to make this Master Resolution a valid and binding instrument for the security of all Bonds duly issued hereunder have been done and performed, and the execution and delivery of this Master Resolution have been in all respects duly authorized; and

WHEREAS, the Series 2015 Bonds shall be issued in registered form in substantially the form set forth in Exhibit A-1 attached hereto if issued as State Bonds, and in substantially the form set forth in Exhibit A-2 attached hereto if issued as Exchange Bonds, respectively, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Bonds when authenticated by the Authority and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal of and premium, if any, and interest, if any, on the Bonds, and to constitute this Master Resolution a valid assignment of (i) the rights of the Authority with respect to the Project under the Lease (except the rights of the Authority under Sections 6.3(d), 13.3 and 14.5 of the Lease) and (ii) the rights of the City with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, be it resolved by the Authority Board of the Local Building Authority of Parowan City, Utah as follows:

ARTICLE I

All terms defined in Article I of the Lease shall have the same meaning in this Master Resolution unless otherwise indicated. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for all purposes of this Master Resolution and the Lease, have the meaning herein specified.

“Authority” means the Local Building Authority of Parowan City, Utah.

“Base Rentals” shall have the meaning attributed to it in the Lease.

“Bond Documents” means the Lease, the Ground Lease, the Security Documents and this Master Resolution.

“Bond Fund” means the bond fund established under Section 6.2 herein.

“Bondholder” or “Registered Owner” means the person or persons in whose name or names a Bond shall be registered on the books of the Authority kept for that purpose in accordance with provisions of this Master Resolution.

“Bond” or “Bonds” means the Series 2015 Bonds of the Authority in the authorized total principal amount of \$972,000, bearing interest at the rate of 1.5% per annum, issued pursuant to Section 2.2 hereof and any Additional Bonds and Refunding Bonds issued pursuant to Sections 3.8 and 3.9, respectively.

“Chair” means the Chair of the Authority and his/her successors.

“City” means Parowan City, Utah.

“Code” means the Internal Revenue Code of 1986, as amended.

“Community Impact Board” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“Escrow Account” means the escrow account created and administered under the Escrow Agreement by the Escrow Agent.

“Escrow Agent” means the Treasurer for the State of Utah, or its successors and assigns.

“Escrow Agreement” means the Escrow Agreement by and among the Authority, the Community Impact Board, and the Escrow Agent.

“Escrow Fund” means the escrow fund, and the sub accounts therein, created and administered under the Escrow Agreement by the Escrow Agent.

“Event of Default” means any occurrence or event specified in and defined by Section 10.1 hereof.

“Event of Non-appropriation” shall have the meaning attributed to it in the Lease.

“Exchange Bonds” means the fully registered Series 2015 Bonds issued in substantially the appropriate form set forth in Exhibit A-2, in exchange for the State Bonds representing the Series 2015 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market; and
- (c) Zero Coupon United States Treasury Bonds.

“Ground Lease” means that certain Ground Lease Agreement dated as of _____ 1, 2015, by and between the City as lessor, and the Authority as Lessee, and any amendments or supplements thereto, including the exhibits attached thereto (the “Ground Lease”).

“Investment Obligations” shall mean any investment permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated 1953, as amended, with an appropriate market value and of an appropriate maturity.

“Lease” means the Lease Agreement dated as of _____ 1, 2015, between the Authority, as lessor, and the City, as lessee, and any amendments and supplements thereto.

“Original Issue Date” means the date on which the Series 2015 Bonds are issued and delivered in exchange for the purchase price thereof.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Authority under this Master Resolution, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with a trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given;
- (c) Bonds in lieu of which others have been authenticated under Sections 3.4, 3.5, 3.8, 3.9, 3.10, and 4.5 hereof; and

(d) Bonds deemed paid under Article IX of this Master Resolution.

“Paying Agent” with respect to the Series 2015 Bonds means the Secretary of the Authority, and his/her successors.

“Principal Payment Date” means each October 1 commencing October 1, 2016.

“Project” means the construction of an administrative and public safety facility and related improvements, as more fully described in Exhibit B hereto and the acquisition of a leasehold interest in the Project site leased by the Authority, as lessee, from the City, as lessor, under the Ground Lease.

“Project Site” means real property, as more fully described in Exhibit B hereof, upon which the Project is located.

“Purchaser” means the Community Impact Board, and its successors.

“Registrar” with respect to the Series 2015 Bonds means the Secretary of the Authority, and his/her successors.

“Reserve Fund Requirement” means, with respect to the Series 2015 Bonds, the average annual debt service on the Series 2015 Bonds (i.e., \$41,800), which amount shall be built up, pursuant to the terms of the Lease and this Master Resolution, in six annual installments of approximately \$6,970 beginning on October 1, 2016.

“Secretary” means the Secretary of the Authority or any successor or deputy secretary.

“Security Documents” means collectively (i) a leasehold deed of trust, assignment of rents and security agreement with respect to the Project; and (ii) an assignment of the Ground Lease.

“Series 2015 Bond or Bonds” means the Authority's Lease Revenue Bonds, Series 2015, issued in the aggregate principal amount of \$972,000 and bearing interest at a rate of 1.5% per annum.

“State Bond or “Bonds” means the single fully registered Series 2015 Bond issued in substantially the appropriate form set forth in Exhibit A-1.

ARTICLE II

THE SERIES 2015 BONDS

Section II.1. Authorized Amount of Bonds. No Series 2015 Bonds may be issued under the provisions of this Master Resolution except in accordance with this Article. The total principal amount of Series 2015 Bonds that may be issued is hereby expressly limited to \$972,000, except as provided in Sections 3.4, 3.5, 3.7, 3.8, 3.9 and 4.5 hereof.

Section II.2. Issuance of Series 2015 Bonds. For purposes of (i) financing a portion of the cost of acquiring and constructing the Project, and (ii) paying the costs of issuance of the Series 2015 Bonds, the Authority hereby authorizes the issuance of its Series 2015 Bonds in the principal amount of \$972,000 bearing interest at a rate of 1.5% per annum.

The Series 2015 Bonds shall be issued (i) in substantially the form set forth in Exhibit A-1, if issued as State Bonds, and (ii) in substantially the form set forth in Exhibit A-2, if issued as Exchange Bonds, in fully registered form, shall bear interest at a rate of 1.5% per annum and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2015 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2015 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2015 Bonds shall be designated as, and shall be distinguished from bonds of all other Series by the title, "Local Building Authority of Parowan City, Utah, Lease Revenue Bonds, Series 2015."

The Series 2015 Bonds shall be dated their Original Issue Date. Interest shall begin to accrue on October 1, 2015, and shall be payable annually on October 1 of each year beginning October 1, 2016. Principal, together with accrued but unpaid interest, shall be payable annually on the dates and in the amounts as follows:

Payment Date	Amount of
<u>October 1</u>	<u>Principal Payment</u>
2016	\$26,000
2017	26,000
2018	27,000
2019	27,000
2020	27,000
2021	28,000
2022	28,000
2023	29,000
2024	29,000
2025	30,000
2026	30,000
2027	30,000
2028	31,000

<u>Payment Date</u> <u>October 1</u>	<u>Amount of</u> <u>Principal Payment</u>
2029	\$31,000
2030	32,000
2031	32,000
2032	33,000
2033	33,000
2034	34,000
2035	34,000
2036	35,000
2037	35,000
2038	36,000
2039	36,000
2040	37,000
2041	38,000
2042	38,000
2043	40,000
2044	40,000
2045	40,000

Except as provided in the next succeeding paragraph, principal payments of the Series 2015 Bonds, whether paid at maturity or prior redemption, shall be payable in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America to the Registered Owner thereof upon presentation and surrender for payment of the Series 2015 Bonds.

So long as the Community Impact Board is the Registered Owner of the Series 2015 Bonds, payments of principal and interest, if any, shall be made by check or draft and mailed to the Community Impact Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. The Series 2015 Bonds shall be initially issued as one fully registered State Bond.

If any installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

If the Series 2015 Bonds are not issued in the calendar year 2015, then the denomination of the Bonds shall be changed to correspond to the year of issuance.

ARTICLE III

EXECUTION, AUTHENTICATION, DELIVERY, EXCHANGE AND
REGISTRATION OF SERIES 2015 BONDS

Section III.1. Execution; Limited Obligation. The Series 2015 Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of the Chair of its Authority Board and shall have impressed or imprinted thereon the official seal of the Authority and be attested with the facsimile or manual signature of the Secretary of the Authority Board. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any officer, whose signature shall appear on the bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Series 2015 Bonds shall not be a general obligation but shall be special, limited obligations of the Authority payable solely out of and to the extent available from the Base Rentals, and, if paid by the City, the Purchase Option Price under the Lease and other amounts derived from the leasing of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2015 Bonds or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Authority to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund, the Reserve Fund and other moneys held by the Authority and the Base Rentals, and other amounts derived from the leasing of the Project under the Lease, which Base Rentals and other amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Series 2015 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest, if any, on the Series 2015 Bonds, except as may be otherwise expressly authorized in this Master Resolution or in the Lease. The Authority shall not be obligated to pay the principal of such Series 2015 Bonds or other costs incident thereto except from the moneys pledged therefore under this Master Resolution. The Series 2015 Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional limitation or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge against the general credit or taxing power of the City. Neither the City, nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2015 Bonds or amounts due or to become due under the Lease. The City shall not be obligated to appropriate City Funds (as defined in the Lease) for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price under the Lease, and no judgment may be entered against the City in the event of an insufficiency of moneys to pay the principal of, premium, if any, interest, if any, on the Series 2015 Bonds. The payment obligations of the City under the Lease are subject to annual renewal and will be terminated upon the occurrence of an Event of Non-appropriation. In such event, all payments from the City under the Lease will terminate, and the Series 2015 Bonds and the interest, if any, thereon will be payable solely from and to the extent of such moneys, if any, as may be held by the Authority under this Master Resolution (except amounts

held for the payment of Bonds not deemed Outstanding) and any moneys made available from a liquidation of the Project subsequent to foreclosure of the lien of this Master Resolution and the Security Documents. No deficiency judgment subsequent to foreclosure of the lien of this Master Resolution and the Security Documents may be entered against the City or the Authority, and no breach of any provision of the Lease, the Ground Lease, the Security Documents or this Master Resolution shall impose any general obligation or liability upon or a charge against the City or the Authority or upon the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City under the Lease. The Authority has no taxing powers.

Section III.2. Delivery of Series 2015 Bonds. Upon the execution and delivery of this Master Resolution, the Authority shall execute and the Secretary of the Authority shall deliver the Series 2015 Bonds to the Community Impact Board as directed by the Authority as provided in this Section 3.2.

Prior to the delivery of the Series 2015 Bonds, there shall be filed with the Authority:

(a) A copy, duly certified by the Secretary of the Authority of a resolution adopted by the Authority Board, and a copy duly certified by the City Recorder of the City of a resolution of the governing body of the City, authorizing the issuance of the Series 2015 Bonds and the execution and delivery of this Master Resolution, the Lease, the Ground Lease and the Security Documents;

(b) Original executed counterparts of the Lease, the Ground Lease, the Security Documents and this Master Resolution;

(c) An ALTA mortgagee's policy, or commitment therefor, of mortgage title insurance in an amount equal to the principal amount of the Series 2015 Bonds, issued by a title insurance company satisfactory to the Authority insuring that (i) the Authority has a valid leasehold interest in the Project Site, (ii) the City has the valid interest described in the Ground Lease, (iii) the Project is subject only to Permitted Encumbrances, and (iv) the Security Documents constitute a first lien on the Project Site subject only to Permitted Encumbrances (as defined in the Lease). The policy shall also provide protection against any mechanic's or materialman's liens. In the event that title insurance on any portion of the property interests described above cannot be provided at the time of issuance of the Series 2015 Bonds, delivery of such title insurance shall be provided prior to disbursement of amounts to pay costs of such portion of the Project; and

(d) A certificate or other documentation evidencing that the City has insured the Project as required by Article IX of the Lease.

Section III.3. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute and authenticate a

new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or is about to mature, instead of issuing a duplicate Bond, the Authority may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument bond or other satisfactory indemnity. The Authority may charge the Bondholder of such Bond with its reasonable fees and expenses in this connection.

Section III.4. Exchange of State Bonds to Exchange Bonds. As long as the Community Impact Board is the sole Registered Owner of the Series 2015 Bonds, the Series 2015 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A1. It is recognized that the Community Impact Board may sell or otherwise transfer the Series 2015 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Community Impact Board determines to sell or otherwise transfer all or a portion of the Series 2015 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds may be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 3.4 hereof and Section 3.5 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.5 hereof. Any Series 2015 Bonds, or any portion thereof, which is sold or otherwise transferred or liquidated by the Community Impact Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bonds prescribed in Exhibit A-2, and shall be executed pursuant to authorization contained in Section 3.5 hereof. Each payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Authority and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Authority to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the Community Impact Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Authority shall have no obligation to pay any such costs or charges.

Section III.5. Registration Provisions. The Authority shall cause books for the registration and for the transfer of the Series 2015 Bonds to be kept by the Secretary who is hereby appointed the Registrar of the Issuer with respect to the Series 2015 Bonds. Any Series 2015 Bonds may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2015 Bonds for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. This Master Resolution shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953, as amended. Upon surrender for transfer of

any Series 2015 Bonds duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Authority shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity for a like aggregate principal amount as the Series 2015 Bonds surrendered for transfer. Series 2015 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2015 Bonds or other authorized denominations and the same series and maturity. The execution by the Authority of any Series 2015 Bonds of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2015 Bonds. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2015 Bonds for redemption.

The Series 2015 Bonds surrendered for final payment, redemption or exchange, shall be promptly canceled and destroyed by the Authority.

The Authority, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2015 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Authority, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Authority may require the payment by the Registered Owner requesting exchange or transfer of Series 2015 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section III.6. Destruction of Bond. Whenever any Outstanding Bond shall be delivered to the Authority for cancellation pursuant to this Master Resolution, upon final payment of the principal amount thereby, or for replacement or exchange, transfer or partial redemption pursuant to Section 3.4, Section 3.7, or Section 4.5 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Authority and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Authority to the City.

Section III.7. Temporary Bonds. Bonds may be initially issued in temporary form exchangeable for definitive Bond when ready for delivery. The temporary Bond shall be of such denomination or denominations as may be determined by the Authority, and may contain such reference to any of the provisions of this Master Resolution as may be appropriate. Every temporary Bond shall be executed and authenticated by the Authority upon the same conditions and in substantially the same manner as the definitive Bond. If the Authority issues temporary Bonds, it will execute and furnish

definitive Bonds at the Authority's expense (and without cost to the Bondholders of such temporary Bond) without unreasonable delay and thereupon the temporary Bond may be surrendered for cancellation and exchange therefor at the principal office of the Authority, and the Authority shall authenticate and deliver in exchange for such temporary Bond an equal aggregate principal amount of definitive registered Bond of authorized denominations of the same series and the same maturity. Until so exchanged, the temporary Bond shall be entitled to the same benefits under this Master Resolution as definitive Bond authenticated and delivered hereunder.

Section III.8. Issuance of Refunding Bonds. To the extent permitted by law, the Authority may, at the request of the City authorize the issuance of Refunding Bonds upon the terms and conditions provided herein. Refunding Bonds may be issued to provide funds to refund the Bond then Outstanding, in whole or in part, and to pay the costs of the issuance and sale of the Refunding Bonds and other costs reasonably related to the financing as shall be agreed upon by the City and the Authority; provided, however, that (1) the Authority shall not be in default under this Master Resolution, the Ground Lease, the Security Documents or the Lease or any provision thereof or hereof, and the issuance of Refunding Bonds shall not constitute a default under the Lease or cause any violation of the covenants or representations of the City or the Authority in the Lease, the Ground Lease, the Security Documents or in this Master Resolution unless the issuance of the Refunding Bonds shall cure such default; (2) no Event of Default or Event of Non-appropriation shall have occurred and be continuing under the Lease; (3) the Authority shall have otherwise complied with the provisions of this Section 3.8 with respect to the issuance of such Refunding Bonds; and (4) so long as the Community Impact Board is the owner of any of the Series 2015 Bonds, the Authority shall obtain the written approval of the Community Impact Board prior to issuing Refunding Bonds for the Bonds owned by the Community Impact Board

Section III.9. Additional Bonds. So long as the Lease is in effect and no Event of Default under this Master Resolution, the Security Documents or the Lease has occurred and is continuing and so long as no Event of Nonappropriation has occurred and is continuing, one or more series of Additional Bonds may be issued, authenticated and delivered for the purpose of financing (i) costs to complete construction of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2015 Bonds or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Authority, to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project), (ii) costs of additions or improvements to the Project or (iii) the cost of acquiring, constructing, equipping and furnishing of any sites, buildings or equipment or continuation thereof, for the use and benefit of the County, but only to the extent that (I) such additional sites, buildings and equipment, or any combination thereof, constitute a "project" within the meaning of the Utah Local Building Authority Act, and (II) the Lease and the Security Documents are amended as herein provided to include such sites, buildings and equipment as part of the Project thereunder. Such Additional Bonds shall be payable solely from the Base Rentals and, if paid by the City, the Purchase Option Price and other amounts derived from the leasing of the Project. The Additional Bonds may be issued in one or more series, shall be

authenticated by the Authority and, upon payment to the Authority of the proceeds of said sale of Additional Bonds, they shall be delivered by the Authority to or upon the order of the purchasers thereof, but only upon there being filed with the Authority:

(a) Evidence of the authorization of the Authority for such issuance, and an approval by the City of the terms of the Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed as required under the Lease;

(b) Original executed counterparts of a supplemental resolution, a supplement (if necessary) to the Security Documents and the Groundlease, and an amendment of the Lease expressly providing that, for all purposes of this Master Resolution and the Lease the "Project" shall include any facilities being financed by the Additional Bonds and that the Bond shall mean and include the Additional Bond being issued as well as any Bond and Additional Bond theretofore issued, and further providing for an increase in the Base Rentals to be paid by the City under the Lease in such amount as shall be necessary to pay, assuming that no Event of Default or Event of Nonappropriation shall occur, the principal of, premium, if any, and interest, if any, on the Bond and the Additional Bonds being issued and any Additional Bonds theretofore issued, and to extend the Lease Term if the maturity of any of the Additional Bonds would otherwise occur after the expiration of the then current Lease Term. The date or dates of the Additional Bonds, the rate or rates of interest on the Additional Bonds, and the redemption provisions (if any) with respect thereto all shall be as provided in the supplemental resolution rather than as provided in this Master Resolution, and may differ from the provisions with respect to the Bond set forth in this Master Resolution, except that interest, if any, on such Additional Bonds shall be payable on October 1 of each year during the term thereof and principal of the Additional Bond shall, in each year in which principal falls due, be payable on October 1;

(c) A written opinion of nationally recognized bond counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, all conditions precedent to the delivery thereof have been fulfilled;

(d) A date-down endorsement to the ALTA mortgagee title insurance policy issued in connection with the issuance of the Series 2015 Bonds, which endorsement shall insure to the date of issuance of such Additional Bonds and the recording of any supplement to the Security Documents the continuing validity of the lien thereof, as modified by any supplement to the Security Documents, as a first and prior lien on the premises thereby secured, subject only to Permitted Encumbrances, and which endorsement shall increase the amount of title insurance coverage thereunder to an amount at least equal to the principal amount of the Additional Bonds plus the amount of coverage originally provided in such policy and naming the Authority and the registered owner of the Bond as an insured or, in the alternative, such policy shall be delivered prior to any

disbursements being made for such portion of the Project for which a policy cannot be delivered at closing;

(e) A copy, duly certified by the City Recorder of the City, of the resolution adopted and approved by the governing body of the City and a copy, duly certified by the Secretary of the Authority of a resolution adopted by the Authority Board, approving the issuance of such Additional Bonds and the terms thereof;

(f) If such series of Additional Bonds is being issued in whole or in part for construction purposes, (i) a copy, duly certified by the Secretary of the Authority, of the project contract and architect's agreement with respect to such construction and the performance and payment bond covering such project contract, or a requirement to deliver the same prior to disbursements being made with respect to such portion of the Project, and (ii) a certificate of the architect or engineer responsible for planning and designing any such construction which sets forth the estimated useful life of the project, as so improved and extended, in compliance with Section 17D-2-302 of the Utah Local Building Authority Act;

(g) A written opinion of counsel to the City as to the legal, valid and binding nature of the amendment to the Lease (to the extent applicable) as against the City and such other matters as may be reasonably required by the purchasers of such Additional Bonds;

(h) A written opinion of counsel to the Authority as to the legal, valid and binding nature of the amendment to the Lease and the supplement to this Master Resolution and the Security Documents as against the Authority and such other matters as may be reasonably required by the purchasers of such Additional Bonds;

(i) A certificate of the Authority, stating that as of the date of such delivery no event or condition has happened or exists and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under this Master Resolution, the Security Documents or the Lease and there has not occurred and is then continuing an Event of Nonappropriation;

(j) If the Community Impact Board is the present owner of the Series 2015 Bonds, the written approval of the Community Impact Board for the Authority to issue the Additional Bonds; and

(k) Such other agreements, certificates, documents and opinions as are required to be delivered to the purchasers of such Additional Bonds, each in form and substance satisfactory to the Authority and, as to opinions, addressed to the Authority if the Authority so directs.

Each series of Additional Bonds issued pursuant to this Master Resolution shall be equally and ratably secured under this Master Resolution and the Security Documents

with the Bond and all other series of Additional Bonds, if any, theretofore issued pursuant to this Master Resolution, without preference, priority or distinction of any Bond over any other thereof.

ARTICLE IV

REDEMPTION OF BOND BEFORE MATURITY

Section IV.1. Redemption Dates and Prices.

(1) The Series 2015 Bonds are subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of the due date of the principal installments thereof, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest on delinquent payments, if any, to the date of prepayment or redemption.

(2) The Series 2015 Bonds are also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the City elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Project under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bond at the earliest date practicable. Thereafter, the Security Documents may, subject to the limitations set forth in Article X hereof, be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Bond not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bond as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bond shall be made upon payment of the principal amount of the Bond then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. IN THE EVENT THE BONDS ARE TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST, IF ANY, TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THE BOND AGAINST THE AUTHORITY OR THE CITY.

(3) If called for prepayment at any time pursuant to the provisions above, the Series 2015 Bonds shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay such Bond under paragraph (b) above, following a liquidation of all of the Project, is less than the amount required to pay the principal of and interest, if any, on the Bond to the prepayment date, the Bond shall be redeemed in whole and the amount available therefor applied as provided in Section 10.8(b) hereof. Except as otherwise provided above, in the event that the Bonds are prepaid, such prepayment will be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest on delinquent payments, if any, to the prepayment date.

Section IV.2. Notice of Redemption.

(1) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 4.2. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(a) the complete official name of the Bonds, including series, to be redeemed, the identification numbers of the Bonds being redeemed;

(b) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bond;

(c) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(d) the date of mailing of redemption notices and the redemption date;

(e) the redemption price;

(f) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption; and

(g) the place where the Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(2) Upon the payment of the redemption price of the Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Bonds being redeemed with the proceeds of such check or other transfer.

(3) The Registrar shall not give notice of redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

(4) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to registered owners of Exchange Bond or portions thereof redeemed but who failed to deliver Series 2015 Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2015 Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of the Series 2015 Bonds.

(5) In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2015 Bonds, a new Series 2015 Bond in principal amount equal to the unredeemed portion of such Series 2015 Bonds will be issued.

Section IV.3. Redemption Payments. Except as otherwise provided in Section 2.2 hereof, no payment shall be made by the Authority upon any Bond or portion thereof called for prepayment or redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Authority shall have received the items required by Section 3.2(c) hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section IV.4. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and cremated or otherwise destroyed by the Authority in accordance with Section 3.6 hereof.

Section IV.5. Partial Redemption of Bond. Upon surrender of any Bond for prepayment or redemption in part only, the Authority shall execute and deliver to the Bondholder thereof a new Bond of the same series and the same maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered, which new Bond shall be a fully registered Bond.

ARTICLE V

GENERAL COVENANTS

Section V.1. Payment of Principal and Premium, if any, and Interest, if any. The Authority covenants that it will promptly pay the principal of and premium, if any, and interest, if any, on every Bond issued under this Master Resolution at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, but solely from the Base Rentals, the Bond Fund, the Reserve Fund and the Purchase Option Price, if paid by the City under the Lease with respect to the Project and other amounts derived from the leasing of the Project and otherwise as provided herein, in the Security Documents, and in the Lease, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein and in the Lease specified, and nothing in the Bonds or in this Master Resolution shall be construed as pledging any other funds or assets of the Authority of the City. The Authority shall in no event be liable for the payment of the principal of, premium, if any, or any interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent of the moneys pledged herein or in the Security Documents as security for the Bonds.

Section V.2. Performance of Covenants; the Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Resolution, in the Lease, in the Ground Lease in the Security Documents, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that (a) it is duly authorized under its Articles, the Constitution and laws of the State of Utah, including a resolution duly adopted by the City Council of the City, to issue the Series 2015 Bonds authorized hereby, to execute this Master Resolution, to assign the Lease and pledge the Base Rentals, the Bond Fund, the Reserve Fund, the Purchase Option Price and other amounts hereby pledged in the manner and to the extent herein set forth, (b) that all action on its part for the issuance of the Series 2015 Bonds and the execution and delivery of the Lease and Security Documents and this Master Resolution has been duly and effectively taken, and (c) that the Series 2015 Bonds in the hands of the Bondholders are and will be valid and enforceable special, limited obligations of the Authority according to the terms thereof and hereof.

Section V.3. Ownership; Instruments of Further Assurance. The Authority covenants that it will own the Project and any property becoming a part of the Project shall be acquired and kept free of all liens and encumbrances, except Permitted Encumbrances. The Authority will defend the title to and interest in the Project and each part thereof, for the benefit of the Bondholders against the claims and demands of all persons whomsoever, except for claims and demands arising from Permitted Encumbrances as provided in the Lease. To the extent necessary and to the extent it may lawfully do so, the City will join with the Authority in any action taken by the Authority pursuant to the provisions of the preceding sentence. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such resolutions supplemental hereto and such further acts, instruments and transfers as

reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming all and singular the Project, the Base Rentals, Purchase Option Price and other amounts pledged hereby to the payment of the principal of and premium, if any, and interest, if any, on the Series 2015 Bonds. The Authority, except as herein and in the Lease provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the Base Rentals, the Additional Rentals, Purchase Option Price, revenues and receipts therefrom or its rights under the Lease, together with any additions thereto and substitutions therefore, subject to Permitted Encumbrances.

Section V.4. Perfection of Security Interest. This Master Resolution creates a valid and binding pledge and assignment of and security interest in all of the personal property pledged under the Master Resolution as security for payment of the Bonds, enforceable by the Purchaser in accordance with the terms thereof.

Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall be prior to any judicial lien hereafter imposed on the personal property pledged to enforce a judgment against the Authority on a simple contract.

Section V.5. Inspection of Project Books. All books and records of the Authority wherever located relating to the Project and the Base Rentals, the Additional Rentals, Purchase Option Price and other amounts derived from the Project shall at all reasonable times be open to inspection by such accountants or other agents as the Bondholders may from time to time designate.

Section V.6. List of Bondholders. The Authority shall keep a list of names and addresses of the Bondholders of all Bonds as from time to time registered on the registration books of the Authority maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations, said list may be inspected and copied by the City or by Bondholders (or a designated representative thereof) of 25% or more in aggregate principal amount of the Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Authority

Section V.7. Rights Under Lease and the Security Documents. The Lease and the Security Documents set forth the covenants and obligations of the Authority and the City. Reference is hereby made to the same for a detailed statement of said covenants and obligations of the Authority and the City thereunder, and the Authority may enforce all rights of the Authority and all obligations of the City under and pursuant to the Lease and the Security Documents for and on behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section V.8. Designation of the Secretary as Bond Registrar and Paying Agent and Designation of Any Additional Paying Agents. The Secretary is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Series 2015 Bonds. The Authority may appoint additional paying agents from time to time by giving notice of such appointments to the Bondholders. The Authority hereby covenants and

agrees to cause the necessary arrangements to be made for the making available of funds hereunder for the payment of such of the Series 2015 Bonds as shall be presented when due at the principal office of the Paying Agent.

Section V.9. Filing of Records. So long as any Series 2015 Bonds remain outstanding, proper books of record and account will be kept by the Authority separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Project and all properties constituting the Project. Except as otherwise provided herein, the Authority further agrees that it will within one hundred eighty (180) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Authority may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Project, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Community Impact Board is the registered owner of the State Bond, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

- (a) A statement in detail of the income and expenditures of the Project for such fiscal year;
- (b) A balance sheet as of the end of such fiscal year;
- (c) The accountant's comments regarding the manner in which the Authority has carried out the requirements of this Master Resolution, and the accountant's recommendations for any change or improvement;
- (d) A list of the insurance policies in force at the end of the fiscal year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and
- (e) An analysis of all funds and accounts created in this Master Resolution, setting out all deposits and disbursements made during the fiscal year and the amount in each fund or account at the end of the fiscal year.

The Community Impact Board may, upon written request from the Authority setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular fiscal year set forth in this Section 5.9.

ARTICLE VI

REVENUES AND FUNDS

Section 6.1. Source of Payment of Bond. The Series 2015 Bonds herein authorized and all payments by the Authority hereunder are not general obligations of the Authority but are special, limited obligations payable solely from the Base Rentals and the Purchase Option Price and other amounts derived from the Project under the Lease and as provided herein.

The Project has been leased under the Lease and the Base Rentals and the Purchase Option Price provided in Sections 6.2 and 12.1, respectively, of the Lease are to be remitted directly to the Authority and deposited in the Bond Fund along with all other moneys authorized or required to be deposited in the Bond Fund under the Lease. Such Base Rentals and Purchase Option Price are hereby pledged to such payment.

Section 6.2. Creation of Bond Fund. There is hereby created and held by the Authority and ordered established a fund to be designated "Local Building Authority of the Parowan City, Utah Bond Fund", which shall be used to pay the principal of and premium, if any, and interest, if any, on the Series 2015 Bonds. All funds deposited in the Bond Fund, including investment earnings thereon, are hereby pledged to the payment of the principal of, premium, if any, and any interest on the Series 2015 Bonds.

Section 6.3. Payments into Bond Fund. There shall be deposited into the Bond Fund all accrued interest received, if any, at the time of the issuance, sale and delivery of the Bonds. In addition, there shall be deposited into the Bond Fund, as and when received, (i) any amount in the Escrow Account directed to be paid into the Bond Fund pursuant to Section 7.3 of the Lease or any amount in the Reserve Fund directed to be paid into the Bond Fund in accordance with the provisions of this Master Resolution; (ii) any Net Proceeds of any insurance policy, performance bond or condemnation award to be deposited in the Bond Fund pursuant to Sections 10.2 and 10.3 of the Lease; (iii) all Base Rentals, and, if paid by the City, the Purchase Option Price with respect to the Project specified in Sections 6.2 and 12.1 of the Lease; and (iv) all other moneys received by the Authority under and pursuant to any of the provisions of the Lease which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Authority hereby covenants and agrees that so long as any of the Bonds issued hereunder are Outstanding, it will deposit in the Bond Fund for its account, any moneys which are pledged under this Master Resolution for the payment of the principal of and premium, if any, and interest, if any, on the Bond and which are required to be deposited into the Bond Fund.

The Authority covenants and agrees that should there be an Event of Default or an Event of Non-appropriation under the Lease with the result that the right of possession of the Project is returned to the Authority, the Authority shall fully cooperate with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by any Bondholder, shall use its best efforts to secure a purchaser or another lessee of the Project so that at all times sufficient

rents and other amounts will be derived from the Project promptly to meet and pay the principal of and premium, if any, and interest, if any, on the Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the Project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project.

Section 6.4. Use of Moneys in Bond Fund. Except as provided herein, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest, if any, on the Bonds including mandatory sinking fund payments, if any, of principal of the Bonds, and for the redemption of the Bonds prior to maturity, and the Bond Fund shall be depleted for such purposes at least annually. The Authority shall maintain subaccounts within the Bond Fund with respect to each series of Bonds in order to properly utilize all moneys deposited therein for their intended purposes, it being the intent hereof that, except as otherwise provided herein, all Bonds authorized hereunder will be equally secured by an equal lien pledge of moneys deposited in the Bond Fund.

Section 6.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Authority, and the Authority shall withdraw sufficient funds from the Bonds Fund to pay the principal of and premium, if any, and interest, if any, on the Bonds as the same become due and payable, and to utilize the moneys in the Bond Fund as provided in this Master Resolution.

Section 6.6. Creation of Reserve Fund. There is hereby created and established with the Authority a trust fund in the name of the Authority to be designated "Local Building Authority of Parowan City, Utah Series 2015 Reserve Fund" which shall be expended in accordance with the provisions of this Master Resolution. All funds deposited in the Reserve Fund, including investment earnings thereon, are hereby pledged to the payment of the principal of, premium, if any, and any interest on the Series 2015 Bonds

Section 6.7. Deposit to and Use of Moneys in the Reserve Fund. Beginning October 1, 2015, and on each October 1 thereafter until the Reserve Fund is fully funded, there shall be deposited into the Reserve Fund, from Additional Rentals received by the Authority, the amount of \$6,970 per year for six years, until there is on deposit in the Reserve Fund, the sum of the Reserve Fund Requirement for the Series 2015 Bonds. The Authority shall maintain subaccounts within the Reserve Fund in order to properly utilize all moneys deposited therein for their intended purposes. Any moneys held in the Reserve Fund shall be invested and reinvested by the Authority in Investment Obligations. Moneys held in the Reserve Fund shall be applied as follows:

(1) If within five (5) Business Days of any Principal Payment Date the moneys held in the Bond Fund are insufficient to pay all interest, if any, and principal then becoming due, the Authority shall transfer, on or before such date, moneys from the Reserve Fund to the Bond Fund to the extent that the amount of money so transferred plus all moneys then held in the Bond Fund shall be sufficient to pay all interest, if any, premium, if any, and principal payments then becoming due and payable on such date

(such moneys to be used for the payment of principal, premium, if any, or interest, if any, on the Bond); and

(2) In the event that the City shall exercise its option to purchase the Project and terminate its payment obligations under the Lease upon payment of the Purchase Option Price, the Authority shall transfer all moneys held in the Reserve Fund to the Bond Fund.

In the event moneys are drawn from the Reserve Fund to pay principal and/or interest, if any, on the Series 2015 Bond such that there shall be remaining in said fund an amount less than the Reserve Fund Requirement, the Authority shall replenish the Reserve Fund to the Reserve Fund Requirement upon the deposit of Additional Rentals to be paid by the City pursuant to Section 6.2 of the Lease.

On each November 1 any moneys held in the Reserve Fund in excess of the Reserve Fund Requirement shall be immediately transferred to the Bond Fund. To the extent so paid, such excess shall reduce the amount of the succeeding Base Rental otherwise payable under the Lease.

Section 6.8. Deposit of Series 2015 Bonds Proceeds; Escrow Fund; Disbursements. The Chair and Secretary of the Authority are hereby authorized and directed to execute with the Community Impact Board and Utah State Treasurer (the "Escrow Agent") an escrow agreement, substantially in the form attached hereto as Exhibit C (the "Escrow Agreement"), which form may be modified by the Chair and Secretary of the Authority prior to execution and the execution by those officers of the Escrow Agreement shall constitute full approval of any such modifications for purposes of effecting the provisions of this Master Resolution. Upon issuance of the Series 2015 Bonds, the proceeds from the sale of the Series 2015 Bonds shall be deposited into the escrow fund (the "Escrow Fund") created pursuant to the Escrow Agreement and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Fund shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuing the Series 2015 Bonds. Proceeds from the sale of the Series 2015 Bonds on deposit in the Escrow Fund may be invested as provided in the Escrow Agreement. The Escrow Agent shall establish and maintain separate sub accounts within the Escrow Fund for each Series of Bonds issued hereunder in order to properly account for and apply all moneys deposited therein for their intended purposes. Any unexpended balance remaining in any sub account in the Escrow Fund after completion of the Project or any portion thereof shall be repaid to each entity or party, other than the Authority or the City, that contributed funds to the Escrow Fund in the form of grant money in proportion to the amount of grant money originally deposited into each sub account. Any funds remaining in the Escrow fund after the return of all grant money shall be transferred to the entity or party contributing funds thereto in proportion to the amount originally contributed, regardless of whether the contribution was in the form of equity or loan proceeds. After the repayment of all excess grant proceeds, the amount to be repaid to the Community Impact Board under this Section 6.8 shall be attributed to excess bond proceeds. The amount, if any, so attributed to excess bond proceeds shall be transferred for deposit into the appropriate sub account in the

Bond Fund and applied to the prepayment of the Series 2015 Bonds related thereto, in the inverse order of the due date of the principal installments thereof. Following the repayment and/or transfer of the unexpended balance in all the sub accounts in the Escrow Fund as provided in this Section 6.8, the Escrow Fund shall be closed.

Section 6.9. Nonpresentment of Bond. In the event that any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for prepayment or redemption thereof, or otherwise, if funds sufficient to pay any such Bond are on deposit with the Authority for the benefit of the Bondholder or Bondholders thereof, all liability of the Authority to the Bondholder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Bondholder of such Bond who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on its part under this Master Resolution, the Security Documents or on, or with respect to, such Bond.

Section 6.10. Repayment to the City from Bond Fund or Reserve Fund. Any amounts remaining in the Bond Fund or the Reserve Fund after payment in full of the principal of and premium, if any, and interest, if any, on the Series 2015 Bonds and all other amounts required to be paid hereunder shall be paid immediately to the City as an overpayment of Base Rentals or Additional Rentals, as appropriate.

Section 6.11. Custody of Separate Trust Fund. The Authority shall hold all Net Proceeds from any insurance policies, performance bond, or condemnation awards and disburse such proceeds in accordance with Article X of the Lease. The Authority shall establish and maintain separate sub accounts within such trust fund in order to properly account for and apply all moneys deposited therein for their intended purposes. If the City directs that the Net Proceeds be applied to redeem the Bonds pursuant to Section 10.3 of the Lease, the Authority covenants and agrees to transfer such funds to the Bond Fund and to redeem the Bonds as provided in this Master Resolution.

ARTICLE VII

INVESTMENT OF MONEYS

Section VII.1. Authority to Invest Funds. Any moneys held as part of the Bond Fund, the Reserve Fund or any other fund shall be invested and reinvested by the Authority in Investment Obligations in accordance with the provisions hereof and Section 7.5 of the Lease. The Reserve Fund is to be invested in Investment Obligations with maturities of less than twelve months. The Authority shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in the Bond Fund is insufficient to pay the principal of and premium, if any, and interest, if any, on the Series 2015 Bonds when due.

Section VII.2. Method of Valuation and Frequency of Valuation. In computing the amount in any Fund or Account, Investment Obligations shall be valued at the market value of such Obligations, exclusive of accrued interest. All funds and accounts are to be marked to market valuation conducted on an annual basis by the Authority.

ARTICLE VII

RIGHTS OF THE CITY

Section VIII.1. Subordination of Lease to Master Resolution; Certain Rights to City. As provided in Section 12.1 of the Lease, the Lease and the City's interest in the Project and its interest as lessee under the Lease, shall at all times be subject to the lien of this Master Resolution; provided, however, that so long as no Event of Default hereunder or an Event of Non-appropriation has occurred and is then continuing, the Lease shall remain in full force and effect notwithstanding such subordination, and the City shall not be disturbed by the Authority or the Bondholders in their possession, use and enjoyment of the Project or portions thereof during the term of the Lease or in the enjoyment of the Lease. This Master Resolution and the rights and privileges hereunder of the holders of the Bond are specifically made subject and subordinate to the rights and privileges of the City set forth in Section 12.1 of the Lease to exercise their option to purchase the Project in the event of, and subsequent to, the occurrence of an Event of Default, but prior to the liquidation of the Project; provided, however, that as a condition of the exercise of such option, the City must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Non-appropriation. The Authority agrees that it shall execute and deliver any instrument necessary or appropriate at any time to confirm evidence or enable the City to enjoy such rights and privileges, including without limitation, those referred to in Section 8.2 hereof and under the Subordination Agreement.

Section VIII.2. Granting of Rights in and to the Project. Reference is made to the provisions of the Lease, including without limitation Section 11.6 of the Lease, whereby the Authority and the City have reserved the right to grant rights in and to certain portions of the Project upon compliance with the terms and conditions of the Lease.

Section VIII.3. Release of Equipment Forming a Part of the Project. Reference is made to the provisions of the Lease, whereby the City may withdraw certain items of equipment forming a part of the Project upon substitution of other property of comparable or greater value, or upon deposit into the appropriate sub account of the Bond Fund of the sale proceeds from the sale of the project equipment so removed, all in accordance with the terms and conditions of the Lease.

ARTICLE IX

DISCHARGE OF LIEN

If the Authority shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made to or for the Bondholders, the principal of and premium, if any, and interest, if any, due or to become due on the Bonds at the times and in the manner stipulated therein, and if the Authority shall not then be in default in any of the other covenants and promises in the Bonds and the Security Documents and in this Master Resolution expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Authority shall cancel and discharge the lien of this Master Resolution, and release, assign and deliver unto the City any and all the estate, right, title and interest in and to any and all rights or otherwise subject to the lien of this Master Resolution, including amounts in the Bond Fund and the Reserve Fund required to be paid to the City under Section 6.10 of this Master Resolution and all rights granted under the Security Documents, except moneys or securities held by the Authority for the payment of the principal of and premium, if any, and interest, if any, on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Master Resolution when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest, if any, thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Master Resolution, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) the Authority shall have irrevocably set aside in trust exclusively for such payment, (1) moneys sufficient to make such payment, and/or (2) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will ensure, without reinvestment, the availability of sufficient moneys to make such payment. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Resolution or the Security Documents, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bond as aforesaid until: (a) proper notice of redemption of such Bond shall have been previously given in accordance with Article IV of this Master Resolution, or in the event said Bond are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Authority shall have given notice to the Bondholders of the Bond, in accordance with Article IV hereof, that the deposit required by (ii) above has been made with the Authority and that said Bond is deemed to have been paid in accordance with this Article IX, and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bond and to call for redemption pursuant to this Master Resolution any Bond to be redeemed prior to maturity; or (b) the maturity of such Bond.

All moneys so deposited with the Authority as provided in this Article IX may at the direction of the Authority also be invested and reinvested in Government Obligations, maturing in the amounts and at times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Authority pursuant to this Article IX which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision of any other Article of this Master Resolution which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article IX for the payment of Bond (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bond (including interest and premium thereof, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES

Section X.1. Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default" under this Master Resolution:

- (a) Failure to pay when due interest, if any, on any Bond;
- (b) Failure to pay when due the principal of, or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the Authority in this Master Resolution or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 10.13 hereof;
- (d) The occurrence of an Event of Default under the terms of any of the Bond Documents on the part of either the Authority or the City;
- (e) The Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder;
- (f) The Authority (1) is adjudged insolvent by a court of competent jurisdiction, (2) admits in writing its inability to pay its debts generally as they become due, (3) files a petition in bankruptcy, (4) makes an assignment for the benefit of creditors, or (5) consents to the appointment of a receiver of itself or property with respect to the Project;
- (g) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver of the Authority or of the property with respect to the Project, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of such appointment;
- (h) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Authority under the provisions of any bankruptcy act and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree;
- (i) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the property with respect to the Project or any part thereof, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control, or

(j) Subject to the limitations contained in the Lease, the Authority shall unreasonably delay or fail to carry on with reasonable dispatch, or shall discontinue construction of any substantial part of the Project.

Section X.2. Acceleration, Limitation on Remedies. Upon the occurrence of an Event of Default, the Bondholders of not less than 25% in aggregate principal amount of the Bond Outstanding may, by notice in writing delivered to the Authority, declare the principal of all Bonds then Outstanding and the interest, if any, accrued thereon immediately due and payable, and such principal and interest, if any, shall thereupon become and be immediately due and payable. With respect to the Series 2015 Bonds, such amounts of principal and interest, if any, payable thereon shall bear interest from the date of acceleration, as herein provided, until paid at the rate of eighteen percent (18%) per annum, unless otherwise waived in whole or in part by the Bondholder.

Upon any sale made either under the power of sale given in this Article X or given in the Security Documents or under a judgment, order or decree made in any judicial proceedings for the foreclosure or enforcement of this Master Resolution and/or the Security Documents, the principal of all Bonds then Outstanding, if not previously due, shall at once become and be immediately due and payable without declaration or notice by the Bondholders.

Notwithstanding anything to the contrary contained in this Master Resolution, no deficiency judgment upon foreclosure of the lien of this Master Resolution or of the Security Documents against the Project may be entered against the City or the Authority, and no breach of any provision of the Lease, the Ground Lease, the Security Documents or the Master Resolution shall impose any general obligation or liability upon or a charge against the City or the Authority or upon the general credit or taxing powers of the City. Additionally, no judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Non-appropriation under the Lease.

Notwithstanding anything contained herein to the contrary, the rights and privileges of the Bondholders are subject to the right of the City to purchase the Project as set forth in the Lease and the Bondholders shall make no final sale or other final disposition of any interest in the Project pursuant to any available foreclosure remedy without notifying the City in writing of the occurrence of an Event of Default, and allowing the City ninety (90) days from the mailing of such notice to exercise their respective options to purchase the Project.

Section X.3. Surrender of Possession of Project; Rights and Duties of Authority in Possession. Upon the occurrence of an Event of Default under this Master Resolution, the Authority, upon demand of the Bondholders, shall forthwith surrender, and it shall be lawful for the Bondholders, by such officer or agent as they may appoint, to take possession of all or any part of the Project together with the books, papers and accounts of the Authority pertaining thereto, and including the rights and the possession of the Authority with respect to the Project under the Lease and Ground Lease and to make all needful repairs and improvements as the Bondholders shall deem wise. Upon the occurrence of an Event of Default, the Bondholders may execute a written notice of

default and an election to cause the Project or any portion thereof to be sold (subject to the reversionary rights of the City retained in the Project Site under the Ground Lease) to satisfy the obligations of the Authority under this Master Resolution in accordance with the provisions of the Security Documents and/or may cause a sale of personal property as provided by law. The Bondholders may also lease or otherwise dispose of the Project in the name and for the account of the Authority and in such manner as the Bondholders, in their sole discretion, may elect. In connection with any such sale or leasing of the Project, the Bondholders may collect, receive and sequester the rental payments, revenues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver pay, or set up the proper reserve for the payment of, all proper costs and expenses of so taking, holding, leasing, selling and managing the same, including reasonable compensation to the Bondholders, its agents and counsel, and any charges of the Bondholders hereunder, and any taxes and assessments and other charges prior to the lien of this Master Resolution and the Security Documents which the Bondholders may deem it wise to pay, and all expenses of such repairs and improvement, and apply the remainder of the moneys so received in accordance with the provisions of Section 10.8 hereof. Whenever all that is due upon the Bonds shall have been paid and all defaults made, cured or waived, the Bondholders shall surrender whatever possession the Bondholders shall retain to the Authority; the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of such property the Bondholders shall render annually to the Authority and the City, at their addresses set forth in the registration book required by Section 5.6 hereof, a summarized statement of income and expenditures in connection therewith.

While any Bonds are Outstanding, the Authority shall not exercise any of the remedies on default specified in Section 14.2 of the Lease without the prior written consent of the Bondholders.

Section X.4. Other Remedies; Rights of Bondholders. Except as otherwise limited by the provisions of this Master Resolution upon the occurrence of an Event of Default under this Master Resolution, the Bondholders may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and premium, if any, and interest, if any, on the Bonds then Outstanding.

No remedy by the terms of this Master Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default under this Master Resolution shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section X.5. Right of Bondholders to Direct Proceedings. The Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right at any time to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Resolution.

Section X.6. Appointment of Receivers. Upon the occurrence of an Event of Default under this Master Resolution, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Master Resolution, the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding shall be entitled to the appointment of a receiver or receivers of the Project and of the rents, revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section X.7. Waiver. Upon the occurrence of an Event of Default under this Master Resolution, to the extent that such rights may then lawfully be waived, neither the Authority, nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Master Resolution, and the Authority, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section X.8. Application of Moneys. All moneys received on behalf of the Bondholders pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made, be deposited in the Bond Fund and all moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Master Resolution), in the order of their due dates, with delinquent interest on such Bonds from the respective dates upon which they became due (with interest on overdue installments of interest, at the same rate as the rate of the respective Bond or Bonds which are past due) and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest, if any, on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest, if any, then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, if any, to the persons entitled thereto without any discrimination or privilege, plus, if available, with interest on overdue installments of interest or principal at the same rate as the rate of the respective Bond or Bonds which are past due.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article X then, subject to the provisions of Section 10.8(b) of this Master Resolution in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 10.8(a) of this Master Resolution.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as any duly appointed receiver shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Setting aside such moneys in trust for the proper purpose shall constitute proper application by such receiver, and such receiver shall have no liability

whatsoever to the Bondholders or to any other person for any delay in applying any such moneys, so long as the receiver acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with the circumstances known at the time of the application by the receiver. Whenever the Authority or a receiver shall apply such funds, it shall fix the date (which shall be a Principal Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Authority shall not be required to make payment on any Bond until such Bond shall be presented for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of and premium, if any, and interest, if any, on all Bonds has been paid under the provisions of this Section 10.8 and all expenses and charges of the Authority have been paid any balance remaining in the Bond Fund shall be paid to the City as provided in Section 6.10 of this Master Resolution as overpayment of Base Rentals.

Section X.9. Remedies Vested. All rights of action under this Master Resolution or under any of the Bonds may be enforced by or on behalf of the Bondholders without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted for or by the Bondholders shall be brought for the equal and ratable benefit of the Bondholders of the Outstanding Bond.

Section X.10. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless such default shall have become an Event of Default under this Master Resolution; it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Resolution by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Bondholders of all Bonds then Outstanding. However, nothing contained in this Master Resolution shall affect or impair the right of any Bondholder to enforce the payment of the principal of and premium, if any, and interest, if any, on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Bonds expressed.

Section X.11. Termination of Proceedings. In case the Bondholders shall have proceeded to enforce any right under this Master Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, and all rights, remedies and powers of the Bondholders shall continue as if no such proceedings had been taken.

Section X.12. Waivers of Events of Default. Any Event of Default under this Master Resolution and its consequences may be waived and any acceleration of the Bonds may be rescinded, but only with the consent of the holders of 100% in aggregate principal amount of the Bonds then Outstanding; provided, however, that there shall not be waived (1) any Event of Default under this Master Resolution in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (2) any Event of Default in the payment when due of any interest on any Bond unless, prior to such waiver or rescission, all arrears of principal and interest payments with interest thereon at a rate equal to eighteen percent (18%) per annum and all expenses of the Bondholders in connection with such Event of Default shall have been paid or provided for. In cases of any such waiver or rescission, or in case any proceeding taken by Bondholders on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section X.13. Notice of Events of Default under Section 10.1(c); Opportunity of the Authority and the City to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 10.1(c) hereof shall constitute an Event of Default under this Master Resolution until actual notice of such default by registered or certified mail shall be given to the Authority and the City by the Bondholders of not less than 25% in aggregate principal amount of all Bonds Outstanding, and the Authority and the City shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default under this Master Resolution if corrective action is instituted by the Authority and the City within the applicable period and diligently pursued, to the satisfaction of the Bondholders until the default is corrected.

With regard to any default concerning which notice is given to the Authority and the City under the provisions of this Section 10.13, the Authority hereby grants the City full authority for account of the Authority to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

Section X.14. Cooperation of Authority. The Authority covenants and agrees that should there be an Event of Default or an Event of Nonappropriation under the Lease with the result that the right of possession of the Project is returned to the Authority, the Authority shall fully cooperate with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by the Bondholders, shall use its best efforts to secure a purchaser or another lessee of the Project so that at all times sufficient rents and other amounts will be derived from the Project promptly to meet and pay the principal of an premium, if any, and interest on the

Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the Project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project.

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 11.1. Supplemental Resolutions Not Requiring Consent of Bondholders.

The Authority may, without consent of, or notice to, any of the Bondholders enter into a resolution or resolutions supplemental to this Master Resolution which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Master Resolution;
- (b) To grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;
- (c) To subject to this Master Resolution additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Master Resolution or any resolution supplemental hereto in such matter as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Master Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be determined by said laws;
- (e) To evidence the appointment of a separate paying agent or the succession of a paying agent hereunder;
- (f) To issue Refunding Bond in accordance with this Master Resolution and the Lease; provided, however, that so long as the CIB is the owner of the Series 2015 Bonds, the Authority must obtain its prior written approval for the issuance of Refunding Bonds, as well as Additional Bonds; and
- (g) To make any other change that does not materially adversely affect the rights of any Bondholder.

Section 11.2. Supplemental Resolutions Requiring Consent of Bondholders.

Exclusive of supplemental resolutions covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the Bondholders of not less than 51% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Resolution to the contrary notwithstanding, to consent to and approve the execution by

the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Resolution or in any supplemental resolution; provided, however, that nothing in this Section 11.2 or in Section 11.1 hereof contained shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the interest, if any, on, any Bond issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, if any, or (iv) a reduction in the aggregate principal amount of the Bond required for consent to such supplemental resolutions, or (v) the creation of any lien ranking prior to or on a parity with the lien of this Master Resolution and the Lease on the Project any part thereof (except in connection with the issuance of Refunding Bonds or Additional Bonds), or (vi) the deprivation with respect to the Bondholder of any Bond then Outstanding of the lien hereby created on the Project, without the prior consent of the Bondholders of 100% of the Bonds affected by such action.

If at any time the Authority shall desire to enter into any such supplemental resolution for any of the purposes of this Section 11.2, it shall cause notice of the proposed adoption of such supplemental resolution to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 5.6 hereof. Such notice shall (a) briefly set forth the nature of the proposed supplemental resolution, (b) state that copies thereof are on file at the principal office of the Authority for inspection by all Bondholders and (c) set forth the manner in which Bondholders are to give or withhold their consent to the proposed supplemental resolution. If the Bondholders of not less than 51% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental resolution as in this Article XI permitted and provided, this Master Resolution shall be and be deemed to be modified and amended in accordance therewith.

Anything therein to the contrary notwithstanding, so long as no Event of Default or Event of Nonappropriation with respect to the Project shall have occurred and be continuing under the Lease, a supplemental resolution under this Article shall not become effective unless and until the City shall have consented to the execution and delivery of such supplemental resolution. In this regard, the Authority shall cause notice of the proposed adoption of any such supplemental resolution together with a copy of the proposed supplemental resolution to be delivered to the City at least fifteen (15) days prior to the proposed date of adoption of any such supplemental resolution. The City shall be deemed to have consented to the adoption and delivery of any such supplemental resolution if the Authority does not receive a letter of protest or objection thereto signed by or on behalf of the City on or before the fifteenth day after the mailing of such notice.

ARTICLE XII

AMENDMENT OF LEASE

Section 12.1. Amendments, etc. to Lease Not Requiring Consent of Bondholders. The Authority and the City shall without the consent of or notice to the Bondholders consent to any amendment, change or modification of the Lease (to the extent applicable) as may be required (i) by the provisions of this Master Resolution and the Lease (including those provisions applicable to the issuance of Refunding Bonds and Additional Bonds), (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) so as to more precisely identify the Project described in Exhibit A to the Lease or substitute or add additional improvements or equipment to the Project or additional rights or interests in property acquired in accordance with the provisions of the Lease, (iv) in connection with any amendment to this Master Resolution pursuant to Section 11.1 hereof, or (v) in connection with any other change therein which, in the judgment of the Authority, is not to the prejudice of the Bondholders.

Section 12.2. Amendments, etc. to the Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, the Authority shall not consent to any other amendment, change or modification of the Lease without mailing of notice and receipt of the written approval or consent of the Bondholders of not less than 51% in aggregate principal amount of the Bond at the time Outstanding given as in this Section 12.2 provided. If at any time the Authority and the City shall request the consent of the Bondholders to any such proposed amendment, change or modification of the Lease, the Authority shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.2 of this Master Resolution with respect to supplemental resolutions. Such notice shall (a) briefly set forth the nature of such proposed amendment, change or modification, (b) state that copies of the instrument embodying the same are on file at the office of the Authority for inspection by all Bondholders and (c) set forth the manner in which Bondholders are to give or withhold their consent to the proposed amendment, change or modification of the Lease. No such amendment, change or modification of the Lease shall alter the requirement that Bondholders of at least 51% in aggregate principal amount then Outstanding consent to any such amendment, change or modification of the Lease, or reduce or postpone payments required to be made under the Lease without the consent of all of the Bondholders of the Bonds then Outstanding. Approval or consent shall be evidenced in a manner acceptable to the Authority.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. Consents, etc. of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Master Resolution to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Master Resolution, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of the Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the registration books of the Authority pursuant to Section 3.6 of this Master Resolution.

Section 13.2. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Resolution, the Security Documents or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Master Resolution or any covenants, conditions and provisions herein contained; this Master Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 13.3. Severability. If any provision of this Master Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 13.4. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows: if to the Authority, the Local Building Authority of Parowan City, Utah, 16 South Main Street, Parowan, Utah 84761, Attention: Chair; if to the City, 16 South Main Street, Parowan, Utah 84761, Attention: Mayor; if to the Utah Permanent Community Impact Fund Board, 1385 South State Street, 4th Floor, Salt Lake City, Utah 84115, Attention: Fund Manager. A duplicate copy of each notice required to be given

hereunder to either the Authority or the City shall also be given to the others. The Authority, the City and the Bondholders may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.5. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest, if any, on or principal of the Bonds or the date fixed for redemption of any Bond shall be in the State of Utah a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of principal and premium, if any, or interest, if any, need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 13.6. Applicable Provisions of Law. This Master Resolution shall be governed by and construed in accordance with the laws of the State of Utah.

Section 13.7. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to the Master Resolution and not solely to the particular portion in which any such word is used.

Section 13.8. Captions. The captions or headings in this Master Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Master Resolution.

ADOPTED as of this _____ 1, 2015.

LOCAL BUILDING AUTHORITY
OF PAROWAN CITY, UTAH

By: _____
Chair

Attest:

By: _____
Secretary

(L B A S E A L)

EXHIBIT A-1

(FORM OF STATE BONDS)

UNITED STATES OF AMERICA

LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH

LEASE REVENUE BOND

SERIES 2015

THIS BOND HAS BEEN DESIGNATED BY THE AUTHORITY AND THE CITY FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Principal Sum	Interest Rate	Original Issue Date
\$972,000	1.5%	_____, 2015

The Local Building Authority of Parowan City, Utah, a nonprofit corporation duly organized and existing within the State of Utah under its Articles of Incorporation and the Constitution and laws of the State of Utah (the "Authority"), for value received, promises to pay solely and to the extent available from the sources hereinafter provided, to the State of Utah acting through the Permanent Community Impact Fund Board (the "Registered Owner") or the registered assigns last named on the Registration Certificate specified below, the Principal Sum specified above, bearing interest at a rate of 1.5% per annum, which interest shall begin to accrue on October 1, 2015, and shall be payable annually on October 1 of each year beginning October 1, 2016, except as hereinafter set forth with respect to prepayment of this Bond, as follows:

Payment Date <u>October 1</u>	Amount of <u>Principal Payment</u>
2016	\$26,000
2017	26,000
2018	27,000
2019	27,000
2020	27,000
2021	28,000
2022	28,000
2023	29,000
2024	29,000

<u>Payment Date</u> <u>October 1</u>	<u>Amount of</u> <u>Principal Payment</u>
2025	\$30,000
2026	30,000
2027	30,000
2028	31,000
2029	31,000
2030	32,000
2031	32,000
2032	33,000
2033	33,000
2034	34,000
2035	34,000
2036	35,000
2037	35,000
2038	36,000
2039	36,000
2040	37,000
2041	38,000
2042	38,000
2043	40,000
2044	40,000
2045	40,000

If any installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

Except as provided in the next succeeding paragraph, principal payments of this Bond, whether paid at maturity or prior redemption, shall be payable, in lawful money of the United States of America, at the office of the Secretary of the Authority or his/her successor (the "Paying Agent") in Parowan City, Utah, by check or in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America, to the Registered Owner hereof upon the presentation and surrender of this Bond for payment.

As long as the State of Utah Permanent Community Impact Fund Board is the registered holder of this Bond, installment payments of principal shall be made by check or draft mailed to the State of Utah Permanent Community Impact Fund Board as the registered holder at the address shown on the registration books maintained by the Registrar.

This Bond represents an issue of the Local Building Authority of Parowan City, Utah, Lease Revenue Bonds, Series 2015 (the "Series 2015 Bonds") issued for the purpose of (i) financing the construction of an administrative and public safety facility and related improvements (the "Project"), and (ii) paying necessary expenses incidental thereto, including the costs of issuing the Series 2015 Bonds.

The Project has been leased by the Authority to Parowan City, Utah, a body politic of the State of Utah (the "City"), under the terms of an annually renewable Lease Agreement dated as of _____ 1, 2015 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Lease"). The project site (as defined in the Lease) has been leased by the City to the Authority pursuant to the terms of a Ground Lease dated as of _____ 1, 2015 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Ground Lease"). Under the Lease, the City has agreed to pay annual rental payments to the Authority (the "Base Rentals") in consideration of its right to use the Project and for the option to purchase granted therein. In addition to the Base Rentals, the City has agreed to pay certain other payments (the "Additional Rentals") sufficient to pay administrative costs of the Authority, certain insurance premiums, taxes and other expenses with respect to the Project expressly required under the Lease. Under the Lease, the City has been granted an option to purchase the Project and terminate its payment obligations with respect to the Project under the Lease at any time upon payment of the Purchase Option Price (as defined in the Lease) which amount shall be sufficient to pay the principal of, premium, if any, and interest, if any, on the Series 2015 Bonds as the same shall become due in accordance with their terms and provisions at maturity or at the earliest applicable prepayment of redemption date, under the terms and provisions of the Master Resolution (as hereinafter defined). THE PURCHASE OPTION PRICE IS PAYABLE SOLELY AT THE OPTION OF THE CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.

This Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of _____ 1, 2015, by the Authority (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the "Master Resolution"), duly adopted by the Authority and pursuant to which all Base Rentals payable by the City under the Lease and, if paid by the City, the Purchase Option Price, and are assigned to secure the payment of principal of, premium, if any, and interest, if any, on the Bond. Additionally, the Authority has granted a security interest in the Project to the holder of this Bond, pursuant to a leasehold deed of trust, assignment of rents and security agreement, as defined in the Master Resolution (the "Security Documents"), to further secure its obligations hereunder.

The obligation of the City to pay Base Rentals and Additional Rentals with respect to the Project is subject to the annual renewal of the Lease and to the right of the City to terminate its payment obligations with respect to the Project under the Lease in the event that there shall be a failure to appropriate for the purpose of paying such Base Rentals and Additional Rentals. In the event that the City's payment obligations under the Lease shall be terminated by reason of a failure to appropriate (referred to herein as an "Event of Non-appropriation") or by reason of an Event of Default (as defined in the Lease) the principal amount of this Bond will be payable from such moneys, if any, as may be available under the Master Resolution for such purpose, including any moneys received from a liquidation or other disposition of the Project including a foreclosure of the lien of the Security Documents. Under certain circumstances, this Bond may also be

payable from the proceeds of title or casualty insurance policies, performance bonds of contractors for the Project, condemnation awards and liquidation proceeds with respect to the Project.

The Master Resolution provides that the Authority may hereafter issue Refunding Bonds (the "Refunding Bonds") or Additional Bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bonds and/or the Additional Bonds will rank on parity with this Bond and be equally and ratably secured and entitled to the protection of the Master Resolution and the Security Documents (this Bond, the Refunding Bonds and the Additional Bonds are referred to herein as the "Bonds"). Reference is hereby made to the Lease, the Security Documents and the Master Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City, the Authority and the holders of the Bonds, the issuance of Refunding Bonds or Additional Bonds, the terms upon which the Bonds are issued and secured, the terms and conditions upon which the Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Bonds, and the rights of the holders of the Bonds upon the occurrence of an Event of Default or an Event of Non-appropriation.

The Series 2015 Bonds constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2015 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance bonds and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Project subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2015 Bonds are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease, nor the Series 2015 Bonds, nor any interest thereon shall constitute or give rise to a general obligation indebtedness of the City, or a charge against the City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2015 Bonds, or amounts due or to become due under the Lease. The Authority has no taxing power.

THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE, AND NO JUDGMENT MAY BE ENTERED AGAINST THE CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THE SERIES 2015 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NON-

APPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2015 BONDS WILL BE PAYABLE SOLELY FROM AND TO THE EXTENT OF SUCH MONEYS, IF ANY, AS MAY BE HELD BY THE AUTHORITY UNDER THE MASTER RESOLUTION (EXCEPT FOR MONEYS HELD FOR BONDS NOT THEN DEEMED OUTSTANDING) AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE PROJECT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE MASTER RESOLUTION AND THE SECURITY DOCUMENTS. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT OF THE SERIES 2015 BONDS OR ANY INTEREST THEREON.

No deficiency judgment may be entered against the City or the Authority, and no breach of any provision of the Lease, the Ground Lease, the Security Documents, the Bonds or the Master Resolution shall impose any general obligation or liability upon or a charge against the City, or the Authority or the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Non-appropriation under the Lease.

This Bond shall be registered in the name of the Registered Owner and any subsequent purchasers in an appropriate book in the office of the Secretary of the Authority, who shall be the Registrar. This Bond is transferable only by notation upon said book by the Registered Owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Authority, duly executed by the Registered Owner or his attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

The Authority may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest, if any, due hereon and for all other purposes and the Authority shall not be affected by any notice to the contrary.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of the due date of the principal installments hereof. Except as otherwise provided in the following paragraph, in the event that this Bond is prepaid, such prepayment will be made at a price equal to 100% of the principal amount of the Bonds to be prepaid, plus accrued interest on delinquent payments to the prepayment date. Notice of redemption shall be mailed by the Authority, postage prepaid, at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for prepayment, to the Registered Owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Authority. Any notice of redemption mailed as provided herein and in the Master Resolution shall be conclusively presumed to have been given. Failure to

receive such notice or any defect therein or in the mailing thereof shall not affect the effectiveness of the call for the prepayment by the Authority.

This Bond is also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the City elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Project under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bonds not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bonds at the earliest date practicable. Thereafter, the Security Documents may, subject to the limitations set forth in Article X of the Master Resolution, be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bonds Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Series 2015 Bonds not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bonds as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bonds shall be made upon payment of the principal amount of the Bonds then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. In the event that the amount available to prepay the Series 2015 Bonds under this paragraph following a liquidation of the Project is less than the amount required to pay the Series 2015 Bonds in full to the prepayment date, the Series 2015 Bonds shall be redeemed in whole and the amount available applied as provided in the Master Resolution. IN THE EVENT THIS BOND IS TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST, IF ANY, TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THIS BOND AGAINST THE AUTHORITY OR THE CITY.

This Bond is issued pursuant to and in full compliance with the Articles of Incorporation of the Authority and the Constitution and laws of the State of Utah, including, in particular, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the "Act"), and pursuant to a resolution adopted by the Authority which authorizes the execution and delivery of the Lease, the Ground Lease, the Master Resolution, the Security Documents and the issuance of the Series

2015 Bonds. As required by the Articles of Incorporation of the Authority, the City Council has by resolution authorized the Authority to issue this Bond and to execute and deliver the Lease, the Ground Lease, the Master Resolution, and the Security Documents.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Non-appropriation or Event of Default under the Lease or any Event of Default under the Master Resolution or the Security Documents, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Resolution.

The Master Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the holders of the Series 2015 Bonds at any time by the Authority with the consent of the County (if an Event of Non-appropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2015 Bonds then Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution, except payment defaults with respect to the principal of or interest on any Outstanding Bond unless certain conditions are met, with the consent of the holders of not less than 100% in aggregate principal amount of the Series 2015 Bonds then Outstanding. Any such waiver or consent by the Registered Owner of this Bond shall be conclusive and binding upon such Owner and upon all future holders of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Master Resolution and the issuance of this Series 2015 Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Series 2015 Bond, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by the facsimile or manual signature of the Chair of its Authority Board and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the Secretary of its Authority Board and its corporate seal to be hereunto impressed or imprinted hereon, and these officials do by the execution hereof adopt as and for the respective proper signatures their respective facsimile or manual signatures appearing hereon.

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH

By: _____ (DO NOT SIGN)
Chair

Attest:

By: _____ (DO NOT SIGN)
Secretary

(L B A S E A L)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by
the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT A-2

(FORM OF EXCHANGE BOND)

UNITED STATES OF AMERICA

LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH

LEASE REVENUE BOND

SERIES 2015

THIS BOND HAS BEEN DESIGNATED BY THE AUTHORITY AND THE CITY FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

INTEREST RATE

MATURITY DATE

ISSUE DATE

1.50%

October 1, 20__

_____, 20__

Registered Owner: _____

Principal Amount: _____

The Local Building Authority of Parowan City, Utah, a nonprofit corporation duly organized and existing within the State of Utah under its Articles of Incorporation and the Constitution and laws of the State of Utah (the "Authority"), for value received, promises to pay solely and to the extent available from the sources hereinafter provided, to the Registered Owner named above, or registered assigns, on the Maturity Date specified above, the Principal Sum specified above, and in like manner to pay interest thereon accruing from October 1, 2015, at the Interest Rate specified above (calculated on the basis of a 360-day year of twelve thirty-day months), payable on October 1 of each year (each an "Interest Payment Date") commencing October 1, 20__, except as the provisions hereinafter set forth with respect to prepayment of this Bond may become applicable hereto, the principal of this Bond being payable in lawful money of the United States of America at the office of the Secretary of the Authority or his/her successor (the "Paying Agent") in Parowan, Iron County, Utah.

This Bond represents an issue of Bonds of like date, term, interest rate and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$ _____) issued in exchange for the conversion of the Issuer's Lease Revenue Bonds, Series 2015 dated _____, 2015 (the "Series 2015 Bonds"), in the total principal amount of \$972,000, authorized by a Master Resolution of the Issuer dated as of _____ 1, 2015 (the "Master Resolution"). This Bond and the issue of Series 2015

Bonds of which it is a part is issued pursuant to (i) the Master Resolution and (ii) the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, for the purpose of (i) financing the acquisition and construction of an administrative building and public safety facility and related improvements (the "Project"), and (ii) paying necessary expenses incidental thereto, including the costs of issuing the Series 2015 Bonds. The Project has been leased by Authority to Parowan City, Utah, a body politic of the State of Utah (the "City"), under the terms of an annually renewable Lease Agreement dated as of _____ 1, 2015 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Lease"). The Project Site (as defined in the Lease) has been leased by the City to the Authority pursuant to the terms of a Ground Lease dated as of _____ 1, 2015 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Ground Lease"). Under the Lease, the City has agreed to pay annual rental payments to the Authority (the "Base Rentals") in consideration of its right to use the Project and for the option to purchase granted therein. In addition to the Base Rentals, the City has agreed to pay certain other payments (the "Additional Rentals") sufficient to pay administrative costs of the Authority, the required deposit to the Reserve Fund under the Master Resolution, certain insurance premiums, taxes, and other expenses with respect to the Project expressly required under the Lease. Under the Lease, the City has been granted an option to purchase the Project and terminate its payment obligations with respect to the Project under the Lease at any time upon payment of the Purchase Option Price (as defined in the Lease) which amount shall be sufficient to pay the principal of, premium, if any, and interest, if any, on the Series 2015 Bonds as the same shall become due in accordance with their terms and provisions at maturity or at the earliest applicable prepayment of redemption date, under the terms and provisions of the Master Resolution (as hereinafter defined). THE PURCHASE OPTION PRICE IS PAYABLE SOLELY AT THE OPTION OF THE CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.

If any installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

This Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of _____ 1, 2015, by the Authority (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the "Master Resolution"), duly adopted by the Authority and pursuant to which all Base Rentals payable by the City under the Lease and, if paid by the City, the Purchase Option Price are assigned to secure the payment of principal of, premium, if any, and interest, if any, on the Series 2015 Bonds. Additionally, the Authority has granted a security interest in the Project to the holder of this Bond, pursuant to a leasehold deed of trust, assignment of rents and security agreement, as defined in the Master Resolution (the "Security Documents"), to further secure its obligations hereunder.

The obligation of the City to pay Base Rentals and Additional Rentals with respect to the Project is subject to the annual renewal of the Lease and to the right of the

City to terminate its payment obligations with respect to the Project under the Lease in the event that there shall be a failure to appropriate for the purpose of paying such Base Rentals and Additional Rentals. In the event that the City's payment obligations under the Lease shall be terminated by reason of a failure to appropriate (referred to herein as an "Event of Non-appropriation") or by reason of an Event of Default (as defined in the Lease) the principal amount of this Bond will be payable from such moneys, if any, as may be available under the Master Resolution for such purpose, including any moneys received from a liquidation or other disposition of the Project including a foreclosure of the lien of the Security Documents. Under certain circumstances, this Bond may also be payable from the proceeds of title or casualty insurance policies, performance bonds of contractors for the Project, condemnation awards and liquidation proceeds with respect to the Project.

The Master Resolution provides that the Authority may hereafter issue Refunding Bonds (the "Refunding Bonds") or Additional Bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bonds and/or the Additional Bonds will rank *pari passu* with this Bond and be equally and ratably secured and entitled to the protection of the Master Resolution and the Security Documents (this Bond, the Refunding Bond and the Additional Bonds are referred to herein as the "Bonds"). Reference is hereby made to the Lease, the Ground Lease, the Security Documents and the Master Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City, the Authority and the holders of the Series 2015 Bonds, the issuance of Refunding Bonds or Additional Bonds, the terms upon which the Series 2015 Bonds are issued and secured, the terms and conditions upon which the Series 2015 Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Series 2015 Bonds, and the rights of the holders of the Series 2015 Bonds upon the occurrence of an Event of Default or an Event of Non-appropriation.

The Series 2015 Bonds constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2015 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance bonds and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Project subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2015 Bonds are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease nor the Series 2015 Bonds shall constitute or give rise to a general obligation indebtedness of the City, or a charge against the City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2015 Bonds or amounts due or to become due under the Lease. The Authority has no taxing power.

THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE, AND NO JUDGMENT MAY BE ENTERED AGAINST THE CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THE SERIES 2015 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2015 BONDS WILL BE PAYABLE SOLELY FROM AND TO THE EXTENT OF SUCH MONEYS, IF ANY, AS MAY BE HELD BY THE AUTHORITY UNDER THE MASTER RESOLUTION (EXCEPT FOR MONEYS HELD FOR SERIES 2015 BONDS NOT THEN DEEMED OUTSTANDING) AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE PROJECT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE MASTER RESOLUTION AND THE SECURITY DOCUMENTS. UPON THE OCCURRENCE OF AN EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT OF THE SERIES 2015 BONDS OR THE INTEREST THEREON.

No deficiency judgment may be entered against the City or the Authority, and no breach of any provision of the Lease, the Ground Lease, the Security Documents, the Bond or the Master Resolution shall impose any general obligation or liability upon or a charge against the City or the Authority or the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Non-appropriation under the Lease.

This Bond shall be registered in the name of the Registered Owner and any subsequent purchasers in an appropriate book in the office of the Secretary of the Authority, who shall be the Registrar. This Bond is transferable only by notation upon said book by the Registered Owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Authority, duly executed by the Registered Owner or his attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

The Authority may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest, if any, due hereon and for all other purposes and the Authority shall not be affected by any notice to the contrary.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse

order of the due date of the principal installments hereof, upon notice given as set forth in the Master Resolution, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest, if any, to the date of prepayment or redemption.

The Series 2015 Bonds, including this Bond, are also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the City elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Project under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bond at the earliest date practicable. Thereafter, the Security Documents may, subject to the limitations set forth in Article X of the Master Resolution, be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Bond not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bond as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bond shall be made upon payment of the principal amount of the Bond then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. IN THE EVENT THIS SERIES 2015 BOND IS TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST, IF ANY, TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THIS BOND AGAINST THE AUTHORITY OR THE CITY.

If called for prepayment at any time pursuant to the provisions above, this Bond shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay this Bond under the paragraph immediately above, following a liquidation of all of the Project, is less than the amount required to pay the principal of this Bond to the prepayment date, this Bond shall be redeemed in whole and the amount available therefor applied as provided in the Master Resolution. Except as otherwise provided above, in the event that this Bond is prepaid, such prepayment will

be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest to the prepayment date, if any.

In the event this Bond or portions thereof (which shall be \$1,000 or any integral multiple thereof) are prepaid, notice of redemption shall be mailed by the Authority, postage prepaid, at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for prepayment, to the Registered Owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Authority. Failure to give such notice or any defect therein or in the mailing thereof shall not affect the effectiveness of the call for the prepayment by the Authority.

This Bond is issued pursuant to and in full compliance with the Articles of Incorporation of the Authority and the Constitution and laws of the State of Utah, and pursuant to a resolution adopted by the Authority which authorizes the execution and delivery of the Lease, the Ground Lease, the Master Resolution, the Security Documents and the issuance of the Series 2015 Bonds. As required by the Articles of Incorporation of the Authority, the City Council has by resolution authorized the Authority to issue this Bond and to execute and deliver the Lease, the Ground Lease, the Master Resolution, and the Security Documents.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Non-appropriation or Event of Default under the Lease or any Event of Default under the Master Resolution or the Security Documents, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Resolution.

The Master Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the holders of the Series 2015 Bonds at any time by the Authority with the consent of the City (if an Event of Non-appropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2015 Bonds at the time Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution, except payment defaults with respect to the principal of or interest on any Outstanding Bond unless certain conditions are met, with the consent of the holders of not less than 100% in aggregate principal amount of the Series 2015 Bonds at the time Outstanding. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Owner and upon all future holders of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Master Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this

Bond, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name by the facsimile or manual signature of the Chair of its Authority Board and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the Secretary of its Authority Board, and said officials do by the execution hereof adopt as and for the respective proper signatures their respective facsimile or manual signatures appearing hereon.

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH

By: _____ (DO NOT SIGN)
Chair

Attest:

By: _____ (DO NOT SIGN)
Secretary

(L B A S E A L)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

(Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

EXHIBIT B

DESCRIPTION OF THE PROJECT
AND THE PROJECT SITE

(1) Description of Project:

Finance the design, acquisition and construction of an administrative and public safety facility and related improvements.

(2) Description of Project Site:

Real property located in Iron County, Utah, to-wit:

EXHIBIT C
ESCROW AGREEMENT
(See Transcript Document No. __)

4817-1786-8065, v. 1

**CITY COUNCIL OF
PAROWAN CITY, UTAH
AUTHORIZING RESOLUTION
February 26, 2015**

RESOLUTION NO. 2015-02-01

A RESOLUTION OF THE CITY COUNCIL OF PAROWAN CITY, UTAH AUTHORIZING AN ANNUALLY RENEWABLE LEASE AGREEMENT BETWEEN THE CITY AND THE LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH; AUTHORIZING THE AUTHORITY'S \$972,000 LEASE REVENUE BONDS, SERIES 2015 FOR A CITY ADMINISTRATIVE AND PUBLIC SAFETY FACILITY AND RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, GROUND LEASE, SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, Parowan City, Utah (the "City") is a political subdivision and body politic duly and regularly created, established, organized, and existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the City has previously authorized and directed the creation of the Local Building Authority of Parowan City, Utah (the "Authority") pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council contained in the Creating Resolution, the Authority has been duly and regularly created, established, and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended and its predecessor Act (collectively the "Acts"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles") the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the City and the Authority desire to finance the construction of an administrative and public safety facility and related improvements for the benefit of the City (the "Project"); and

WHEREAS, the Authority desires to finance such Project through the issuance of its \$972,000 Lease Revenue Bonds, Series 2015 (the "Series 2015 Bonds"); and

WHEREAS, pursuant to a Lease Agreement between the Authority and the City, in substantially the form presented to this meeting and attached hereto as Exhibit A (the "Lease"), the City will lease, as lessee, the Project from the Authority on an annually renewable basis; and

WHEREAS, the City owns the real property on which the Project will be located (the "Leased Property") and the City desires to lease the Leased Property to the Authority pursuant to a Ground Lease in substantially the form presented to this meeting and attached hereto as Exhibit B (the "Ground Lease"); and

WHEREAS, the plans, specifications and estimated costs of the acquisition, construction, furnishing and equipping of the Project including a certificate of the engineer/architect for the Project setting forth the estimated useful life of the Project have been submitted to the City; and

WHEREAS, the City has determined that the cost of construction of the Project is not less than the fair market value of the Project; and

WHEREAS, the Authority proposes to finance, in part, the costs of acquiring and constructing the Project, by means of the issuance of its Lease Revenue Bonds, Series 2015 bearing interest at the rate of 1.5% per annum in the aggregate principal amount of \$972,000 (the "Series 2015 Bonds") to be issued pursuant to the terms and provisions of a Master Resolution in substantially the form presented at this meeting and attached hereto as Exhibit C (the "Master Resolution") and herein authorized and approved; and

WHEREAS, the Authority proposes to issue the Series 2015 Bonds pursuant to the Master Resolution, and to secure its payment obligations under the Series 2015 Bonds by executing a Leasehold Deed of Trust, Assignment of Rents and Security Agreement and Assignment of Ground Lease with respect to the Project in substantially the forms presented to this meeting and attached hereto as Exhibit D (the "Security Documents") for the benefit of the holders of the Series 2015 Bonds; and

WHEREAS, the Authority shall adopt a resolution on February 26, 2015 (the "Authorizing Resolution"), which authorizes and approves the execution of the Lease, the issuance and sale by the Authority of its Series 2015 Bonds, the execution of the Master Resolution, the Ground Lease, Security Documents and other documents required in connection therewith, and the financing of the acquisition and construction of the Project; and

WHEREAS, the Series 2015 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City, on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

WHEREAS, the City desires to improve and promote the local health and general welfare of the citizens of the City by entering into the Lease; and

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the "Purchaser") has offered to purchase the Series 2015 Bonds and the Authority desires to sell the Series 2015 Bonds to the Purchaser; and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City Council authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Ground Lease, the Master Resolution, the Series 2015 Bonds and the Security Documents; and

WHEREAS, the Mayor and other officials of the City have presented the Lease and Ground Lease to the City Council for the purpose of obtaining the approval of the City Council of the terms and provisions thereof and for the purpose of confirming the execution thereof as the official act of the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PAROWAN CITY, UTAH AS FOLLOWS:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the City Council and by the officers of the City directed toward the creation and establishment of the Authority and the leasing of the Project by the City are hereby ratified, approved and confirmed.

Section 2. The Lease in the form presented to this meeting and attached hereto as Exhibit A is in all respects approved, authorized and confirmed and the Mayor is authorized to approve the final terms thereof and to execute and deliver the Lease in the form and with substantially the same content as set forth in Exhibit A for and on behalf of the City. The appropriate officials of the Authority are authorized to approve the final terms and to execute the Lease on behalf of the Authority in the form and with substantially the same content as set forth in Exhibit A for and on behalf of the Authority.

Section 3. The Ground Lease in the form presented to this meeting and attached hereto as Exhibit B is in all respects approved, authorized and confirmed. The appropriate officials of the City are authorized to approve the final terms and to execute and deliver the Ground Lease in the form and with substantially the same content as set forth in Exhibit B. The appropriate officials of the Authority are authorized to approve the final terms and to execute and deliver the Ground Lease on behalf of the Authority in the form and with substantially the same content as set forth in Exhibit B for and on behalf of the Authority.

Section 4. The appropriate officials of the Authority are authorized to execute and deliver the Master Resolution and the Security Documents in the forms and with substantially the same content as set forth in Exhibits C and D, respectively, for and on behalf of the Authority.

Section 5. The Authority is authorized to issue the Series 2015 Bonds in the aggregate principal amount of \$972,000. The Bonds shall be dated, shall bear interest at

the rate of 1.5% per annum, shall be issued as fully registered bonds, and shall mature as provided in the Master Resolution.

The Chair of the Authority is hereby authorized, on behalf of the Authority, to award the sale of the Series 2015 Bonds to the Purchaser.

The form, terms and provisions of the Series 2015 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2015 Bonds shall mature prior to the expiration of the estimated useful life of the Project. The Chair of the Governing Board of the Authority is hereby authorized to execute the Bonds, to place thereon the seal of the Authority, and to deliver the Series 2015 Bonds to the Purchaser. The Secretary of the Governing Board of the Authority is authorized to attest to the signature of such Chair of the Board and to affix the seal of the Authority to the Series 2015 Bonds and to authenticate the Series 2015 Bonds. The signatures of the Chair of the Board and of the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

Section 6. The appropriate officers of the City are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction contemplated hereby, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2015 Bonds.

Section 7. Upon their issuance, the Series 2015 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Lease, Series 2015 Bonds, Security Documents and the Master Resolution. No provision of this Resolution, the Lease, the Ground Lease, the Master Resolution, the Series 2015 Bonds or the Security Documents, or any other instrument, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost, or of making any payment in respect of the Series 2015 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Lease (as those terms are defined in the Lease) which may be terminated by the City on any annual renewal date thereof in accordance with the provisions of such Lease. The Authority has no taxing powers.

Section 8. The Mayor is hereby authorized to make any alterations, changes or additions in the Lease and Ground Lease herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, to the provisions of this Resolution or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such changes.

Section 9. The appropriate officials of the Authority are authorized to make any alterations, changes or additions to the Lease, the City Ground Lease, the Master Resolution and the Security Documents herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such changes.

Section 10. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 11. The City Recorder is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City Recorder on the Lease and Ground Lease. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

Section 12. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Ground Lease, the Master Resolution, the Security Documents, the Series 2015 Bonds, and any other documents authorized, necessary or proper pursuant to this Resolution or any Resolution of the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and any resolution of the Authority.

Section 13. All regulations, orders and resolutions of the City or parts thereof inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any regulation, order, resolution or ordinance or part thereof.

Section 14. This Resolution shall become effective immediately upon adoption by the City Council.

ADOPTED BY THE CITY COUNCIL OF PAROWAN CITY, UTAH, THIS
FEBRUARY 26, 2015.

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

(C I T Y S E A L)

RECORD OF PROCEEDINGS

I, Callie Bassett, the City Recorder for Parowan City (the "City"), certify that the City Council (the "Council") met in public session at the regular meeting place of the Council, at 16 South Main Street, Parowan, Utah 84761 on February 26, 2015 (the "Meeting") at 6:00 p.m. There were present at that meeting the following members:

Donald Landes	Mayor
Alan Adams	Councilmember
Troy Houston	Councilmember
Ben Johnson	Councilmember
Steve Thayer	Councilmember
Steve Weston	Councilmember

Also present:

Callie Bassett	City Recorder
Shayne Scott	City Manager

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by _____ and seconded by _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF CITY RECORDER

I, Callie Bassett, the duly appointed and qualified City Recorder for Parowan City, Utah (the "City"), do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the City Council at a public meeting duly held on February 26, 2015 (the "Meeting"). The Meeting was called and noticed as required by law as is evidenced by the attached Meeting Notice and Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on February 26, 2015, and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the City, this February 26, 2015.

City Recorder

(CITY S E A L)

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Callie Bassett, the City Recorder for Parowan City, Utah (the "City"), certify according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 524202, Utah Code Annotated 1953, as amended, I gave not less than twentyfour (24) hours public notice of the agenda, date, time, and place of the February 26, 2015, public meeting held by the City Council (the "Meeting") as follows:

(a) By causing a Meeting Notice, in the form attached, to be posted at the City's principal offices at least 24 hours prior to the convening of the Meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the Meeting;

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the City at least 24 hours prior to the convening of the Meeting; and

(c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the convening of the Meeting.

DATED: February 26, 2015.

City Recorder

(CITY S E A L)

(Attach Meeting Notice and proof of posting thereof on the Utah Public Notice Website)

EXHIBIT A

LEASE

(See Transcript Document No. 2)

EXHIBIT B

GROUND LEASE

(See Transcript Document No. 3)

EXHIBIT C

MASTER RESOLUTION

(See Transcript Document No. 1)

EXHIBIT D

SECURITY DOCUMENTS

(See Transcript Document Nos. 4 and 5)

AMS

WHEN RECORDED, RETURN TO:

Eric Todd Johnson, Esq.
Blaisdell, Church & Johnson, LLC
5995 South Redwood Road
Salt Lake City, Utah 84123

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH, AS LESSEE

A Nonprofit Corporation Organized Under the Laws
of the State of Utah

and

PAROWAN CITY,
IRON COUNTY, UTAH, AS LESSOR

A Political Subdivision Organized
Under the Laws of the State of Utah

GROUND LEASE AGREEMENT

Dated as of _____ 1, 2015

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Ground Lease") dated as of _____ 1, 2015, entered into by and between the LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH (the "Authority"), as lessee hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as issuer under a certain Master Resolution of even date herewith (the "Master Resolution"), and PAROWAN CITY, IRON COUNTY, UTAH (the "City"), as lessor hereunder, a political subdivision duly established and existing under and by virtue of the Constitution and laws of the State of Utah.

WITNESSETH:

WHEREAS, the City is the owner in fee simple of the real property, together with existing improvements thereon, as more fully described in Exhibit A attached hereto (the "Property"); and

WHEREAS, the City and the Authority desire to finance the acquisition and construction of a City administrative building/public safety facility and related improvements (collectively, the "Facility"), which will be located on the Property; and

WHEREAS, the Authority desires to lease, as lessee, from the City its interest in the Property upon which the Facility will be constructed; and

WHEREAS, the City desires to lease the Property, as lessor, to the Authority, as lessee, under the terms and provisions set forth in this Ground Lease; and

WHEREAS, under the provisions of a resolution dated February 12, 2015, the City Council of the City has authorized and approved the execution of a Lease Agreement dated as of _____ 1, 2015 (the "Lease"), between the City and the Authority, wherein the Authority, as lessor, will lease to the City, as lessee, the Facility (the "Project") and has authorized certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance by the Authority of its Lease Revenue Bonds, Series 2015 (the "Series 2015 Bonds") under the Master Resolution; and

WHEREAS, pursuant to the provisions of a Resolution dated February 12, 2015, the Governing Board of the Authority has authorized, approved and directed the execution of this Ground Lease, has authorized and approved the execution of the Lease, the Master Resolution, and the other Security Documents (as defined in the Master Resolution) and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance of the Series 2015 Bonds; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Terms defined in the above recitals shall have the same meaning when used herein. Unless the context otherwise requires or unless otherwise specified herein, all terms defined in Article I of the Master Resolution and Article I of the Lease shall have the same meaning where used in this Ground Lease. In addition, unless the context otherwise requires, the terms defined in this ARTICLE I shall, for purposes of this Ground Lease, have the meaning herein specified.

“CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“Event of Default” means one or more events of default as defined in Section 12.1 of this Ground Lease.

“Ground Lease Term” means the duration of the leasehold estate created in the Property as provided in ARTICLE IV of this Ground Lease.

“Permitted Encumbrances” means, as of any particular time, (i) this Ground Lease, including any security interest granted herein; (ii) utility access and other easements and rights-of-way, restrictions and exceptions which the City Representative and the Authority Representative certify will not interfere with the operation of the Facility or impair the marketability of title to the Facility or the general security provided for the Bondholders; (iii) the Lease; (iv) the Security Documents (as defined in the Master Resolution); (v) the rights of the City in the Property; and (vi) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Facility and as do not, in the opinion of Independent Counsel, materially impair the operation or marketability of title to the Facility.

“Rental Payments” means the rental payments payable by the Authority hereunder.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the City

. The City represents, covenants and warrants for the benefit of the Authority as follows:

(a) The City is a political subdivision duly existing within the State under the Constitution and laws of the State. Under the provisions of the Constitution and laws of the State, the City is authorized to enter into the transactions contemplated by this Ground Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Ground Lease.

(b) The City warrants that it holds fee simple title in the Property free from any encumbrances other than Permitted Encumbrances.

Section 2.2 Representations, Covenants and Warranties of the Authority

. The Authority represents, covenants and warrants for the benefit of the City that the Authority is a nonprofit corporation duly incorporated and in good standing in the State of Utah and is duly qualified to transact business in the State of Utah, is not in violation of any provision of its Articles of Incorporation or its Bylaws, has the corporate power and authority to enter into this Ground Lease and has duly authorized and approved the execution and delivery of this Ground Lease by proper corporate action.

ARTICLE III

DEMISING CLAUSE

The City hereby demises and leases the Property to the Authority, and the Authority leases the Property from the City, subject only to Permitted Encumbrances, in accordance with the provisions of this Ground Lease, to have and to hold for the Ground Lease Term unless sooner terminated as expressly provided herein.

ARTICLE IV

GROUND LEASE TERM

Section 4.1 Commencement of Ground Lease Term

. The Ground Lease Term shall commence as of the date of issuance of the Series 2015 Bonds, and shall terminate on October 1, 2045, unless sooner terminated in accordance with the provisions of Section 4.2 hereof.

Section 4.2 Termination of Ground Lease Term

. The Ground Lease Term shall terminate upon the first to occur of any of the following events:

(a) The expiration of the Ground Lease Term as provided in Section 4.1 hereof; or

(b) The discharge of the lien of the Master Resolution under Article IX thereof.

Section 4.3 Option to Renew Ground Lease

. Notwithstanding anything contained elsewhere herein to the contrary, in the event the capital actually invested (as defined in the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended) by the Authority in improvements constructed upon the Property has not been fully repaid by the City at the expiration of the term of this Ground Lease, the Authority shall have the option to renew this Ground Lease, on the same terms and conditions as set forth herein, for an additional term sufficient to repay said capital, which term, when added to the number of years for which this Ground Lease has theretofore been in effect, shall not exceed (a) the useful life of the Facility, or (b) until forty years after the date hereof.

ARTICLE V

ENJOYMENT OF PROPERTY

Subject to the provisions of the Lease, the City hereby covenants to provide the Authority during the Ground Lease Term with quiet use and enjoyment of the Property, and the Authority shall during the Ground Lease Term peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the City, except as expressly set forth herein. The City shall not interfere with such quiet use and enjoyment during the Ground Lease Term so long as no Event of Default shall have occurred. The City shall, at the request of the Authority, join in any legal action in which the Authority asserts its right to such possession and enjoyment, to the extent that the City may lawfully do so. In addition, the Authority may at its own expense join in any legal action affecting its possession and enjoyment of the Property and shall be joined in any action affecting its liabilities hereunder.

The City shall have the right at all reasonable times during business hours to enter into and upon the Property for the purpose of inspecting the same.

ARTICLE VI

PAYMENTS BY THE AUTHORITY

The Authority shall pay Rental Payments to the City in the sum of \$31.00, that being \$1.00 per year for a maximum of 31 years, which amount represents the total Rental Payments due hereunder during the Ground Lease Term (including all renewal option periods). The parties hereto hereby acknowledge that said Rental Payments have been paid in full on the date hereof in lawful money of the United States of America at the principal office of the City. The City and the Authority hereby determine and agree that the Rental Payments payable hereunder during the Ground Lease Term, together with other good and valuable consideration received by the City under and pursuant to a Sublease, if any, represent reasonable rental for the use of the Property. In making such determination, the City and the Authority have given consideration to the current value of the Property, the execution by the City and the Authority of the Lease and the rentals payable thereunder, the financing by the Authority of the Facility, the uses and purposes for which the Facility will be employed by the City, the benefit to the citizens of the City by reason of the improvement of the Facility and the use and occupancy of such Facility.

ARTICLE VII

NONSUBORDINATION OF THE CITY'S INTEREST

The Authority intends to finance the Facility by the issuance of the Series 2015 Bonds in accordance with the provisions of the Lease and Master Resolution; however, it is understood and agreed that only the Authority's leasehold interest in the Property will be used as security for the payment of the principal, premium, if any, and interest, if any, on such Bonds. Consequently, it is understood and agreed by and between the City and the Authority that the City has not subordinated, and shall not be required to subordinate, its interest in and to the Property to secure such financing. However, it is acknowledged that improvements constructed on the Property will or may be used as security for the Series 2015 Bonds.

ARTICLE VIII

TITLE; LIMITATIONS ON ENCUMBRANCES

Section 8.1 Title to the Real Property and the Facility

. Subject to the leasehold interest created hereby, title to the Property shall at all times be held in the name of the City. Except personal property purchased by the City at its own expense, title to the Facility and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Authority. The City shall have no right, title or interest in the Facility or any additions and modifications thereto or replacements thereof, except its reversionary rights by law as lessor and except as expressly set forth herein. On termination of this Ground Lease, the City shall become the title owner of all improvements affixed to the Property. The Authority agrees to execute such documents on termination of this Ground Lease as are required to convey said improvements to the City as herein provided.

Section 8.2 No Encumbrance, Mortgage or Pledge

. Neither the Authority nor the City shall directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Facility, except (i) encumbrances of the leasehold estate pursuant to the Master Resolution and in accordance with Section 8.3 hereof; (ii) liens for taxes and assessments not then delinquent, or which the City may, pursuant to the provisions of Section 9.3 of the Lease, permit to remain unpaid; (iii) this Ground Lease, the Lease; (iv) utility access and other easements and rights-of-way, restrictions and exceptions which the City Representative and the Authority Representative certify, will not interfere with or impair the Facility; (v) the Security Documents as defined in the Master Resolution; and (vi) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Facility and do not, in the opinion of Independent Counsel, materially impair title to the Facility.

Section 8.3 Encumbrance of Leasehold Interest

. The Authority may encumber by mortgage or deed of trust, and may convey, assign or sublease, its leasehold interest and estate in the Property, alone or together with its interests in the Facility as a whole, for the benefit of the holders of the Series 2015 Bonds. The execution of any such mortgage, deed of trust, assignment or other instrument or the foreclosure thereof or any sale thereunder, either by judicial proceeding or by virtue of any power reserved in such mortgage, deed of trust, assignment or conveyance by the Authority for the benefit of the holders of the Series 2015 Bonds, or the exercising of any right, power or privilege set forth therein, shall not be held as a violation of any of the terms or conditions hereof. The assignee or grantee of any conveyance or assignment of the Authority may, at its option, at any time before the rights of the Authority have been terminated as provided herein, pay any of the Rental Payments due hereunder or pay any taxes and assessments, or do any other act or thing required of the Authority by the terms hereof, or do any act or thing which may be necessary or proper to be done in the observance of the covenants and conditions thereof, or to prevent the termination hereof; all payments so made, and all things so done and performed by such party or entity shall be effective to prevent a forfeiture of the rights

of the Authority hereunder as the same would have been if done and performed by said Authority.

ARTICLE IX

MAINTENANCE, TAXES AND OTHER CHARGES

Section 9.1 Maintenance of the Property by the Authority

. In the event that the Ground Lease Term extends beyond the date of termination of the Lease, the Authority agrees that at all times during the Ground Lease Term the Authority will maintain, preserve and keep the Property or cause the Property to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition and that the Authority will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals with respect to the Property, so that it will continue to be suitable for use as contemplated by the Lease.

Section 9.2 Taxes, Other Governmental Charges and Utility Charges

. In the event that the Ground Lease Term extends beyond the date of termination of the Lease and in the event that the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Property, the Authority shall pay an amount equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Authority shall be obligated to pay such amounts only for such installments as are required to be paid during the Ground Lease Term. In the event that the Ground Lease Term extends beyond the date of termination of the Lease, the Authority shall also pay as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property.

The Authority may, at the expense and in the name of the Authority, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. In the event that the Authority shall fail to pay any of the foregoing items required by this Section 9.2 to be paid by the Authority, the City may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at the rate of ten percent (10%) per annum, the Authority agrees to pay.

ARTICLE X

CONDEMNATION; DESTRUCTION

If during the Ground Lease Term, title to, or the temporary or permanent use of the Facility or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Authority and the City shall cooperate in the collection and disposition of the proceeds of condemnation such that the net proceeds of such condemnation allocable to the Facility and to the Authority's leasehold interest in the Property created hereunder shall be deposited and utilized by the Authority and the City in accordance with the provisions of the Lease and the Master Resolution and the net proceeds of such condemnation allocable solely to the City's reversionary interest in the Property will be payable to the City. Except as otherwise provided in the Lease, if during the Ground Lease Term, the Facility or any material portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty, the Net Proceeds of any insurance policy shall be deposited and utilized by the Authority and the City in accordance with the provisions of the Lease and the Master Resolution.

ARTICLE XI

DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 11.1 Further Assurances and Corrective Instruments

. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be, or for carrying out the intention hereof.

Section 11.2 City and Authority Representatives

. Whenever under the provisions hereof the approval of the City or the Authority is required, or the City or the Authority is required to take some action at the request of the other, such approval or such request shall be given for the City by the City Representative and for the Authority by the Authority Representative, and any party hereto and the CIB shall be authorized to act on any such approval or request.

Section 11.3 Requirements of Law

. During the Ground Lease Term, the City and the Authority shall observe and comply promptly with all laws, ordinances, orders, rules and regulations of the federal, state, and City governments and of all courts or other governmental authorities having jurisdiction over the Facility or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Facility, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Facility or any portion thereof, whether the same are in force at the commencement of the Ground Lease Term or may in the future be passed, enacted or directed.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined

. The following shall be an "Event of Default" under this Ground Lease: Failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, given to the Authority by the City, unless the City shall agree in writing to an extension of time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the City shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section are subject to the following limitations: (i) if, by reason of force majeure, the Authority shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the Authority contained in ARTICLE VI hereof, the Authority shall not be deemed in default during the continuance of such inability. The Authority agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Authority from carrying out its agreement; provided, however, that the settlement of strikes, lockout and other industrial disturbances shall be entirely within the discretion of the Authority, and the Authority shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Authority unfavorable to the Authority. A copy of any Notice required by this Section shall also be provided to the City and the CIB.

Section 12.2 Remedies on Default

. Whenever any Event of Default referred to in Section 12.1 of this Ground Lease shall have happened and be continuing, the City shall have the right, at its option without any further demand or notice to take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Ground Lease.

Section 12.3 No Remedy Exclusive

. No remedy herein conferred upon or reserved to the City is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved in this ARTICLE XII, it shall not be necessary to give any notice, other than such notice as may be required in this ARTICLE XII.

Section 12.4 Agreement to Pay Attorneys' Fees and Expenses

. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorney's fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the City under this Section 12.4 be subject to the availability of City Funds.

Section 12.5 No Additional Waiver Implied by One Waiver

. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 12.6 No Termination of Ground Lease Term

. Notwithstanding the remedies provided above, the Ground Lease Term of this Ground Lease may not be terminated prior to the end of the Term described in ARTICLE IV hereof by reason of an Event of Default hereunder.

ARTICLE XIII

INSURANCE AND INDEMNIFICATION

Section 13.1 Insurance. The Authority hereby covenants and agrees to at all times provide, maintain and keep in force or cause to be kept in force or cause to be kept in force such insurance as set forth in Article IX of the Lease (as defined in the Master Resolution) with respect to the Facilities.

Section 13.2 Indemnification Covenants. To the extent of the net proceeds of the insurance coverage of the Authority and contractor's performance and payment bonds for the Facilities, the Authority shall and hereby agrees to indemnify and save the City harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Facilities during the Lease Term from: (i) any condition of the Facilities; and (ii) any act or negligence of the Authority or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. To the extent of available moneys as set forth above, or in the event the Authority is self insured, or the insurance coverage has a deductible amount, then from moneys to be appropriated under budget proceedings for future years, if such appropriations are then made, the Authority shall indemnify and save the City harmless, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the City, shall defend it in any action or proceeding.

In exchange for the Authority's agreement to indemnify the City as provided in this Section 13.2, the City hereby agrees to assert any cause of action that it might individually have against any third parties for the benefit of the Authority. Furthermore, in no event will the City voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Facilities without the written consent of the Authority.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices

. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, the Local Building Authority of Parowan City, 5 South Main Street, P.O. Box 576, Parowan, Utah 84761, Attention: Chair; if to the City, Parowan City, P.O. Box 576, Parowan, Utah 84761, Attention: Mayor. A duplicate copy of each notice, certificate or other communications given hereunder by the Authority or the City shall also be given to the CIB. The Authority and the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.2 Binding Effect

. This Ground Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns.

Section 14.3 Severability

. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.4 Amendments, Changes and Modifications

. Subsequent to the issuance of the Series 2015 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Master Resolution), and except as otherwise herein expressly provided, this Ground Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the CIB.

Section 14.5 Execution in Counterparts

. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.6 Applicable Law

. This Ground Lease shall be governed by and construed in accordance with the laws of the State.

Section 14.7 Captions

. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

Section 14.8 Assignment

. This Ground Lease may be assigned and reassigned by the Authority and the Authority's interest in the Property transferred in accordance with the terms hereof and of the Lease. This Ground Lease may not be assigned by the City for any reason.

IN WITNESS WHEREOF, the Authority has caused this Ground Lease to be executed with its corporate seal hereunto affixed and attested by its duly authorized officer. The City has executed this Ground Lease in its name with its seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH

By:

Chair

Attest:

By: _____
Secretary

(LBA SEAL)

PAROWAN CITY, UTAH

By:

Mayor

Attest:

By: _____
City Recorder

(CITY SEAL)

In the County of Iron, State of Utah, on this ____ day of _____, 2015, before me, the undersigned notary, personally appeared Donald Landes and Callie Bassett, the Chair and the Secretary, respectively, of the Local Building Authority of Parowan City, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

In the County of Iron, State of Utah, on this ____ day of _____, 2015, before me, the undersigned notary, personally appeared Donald Landes and Callie Bassett, the Mayor and City Recorder, respectively, of Parowan City, Iron County, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

EXHIBIT A

DESCRIPTION OF PROPERTY

Real property located in Iron County, Utah, to-wit:

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH, AS LESSOR

A Nonprofit Corporation Organized Under the Laws of
the State of Utah

and

PAROWAN CITY, UTAH, AS LESSEE

A Political Subdivision and Body Politic of
the State of Utah

LEASE AGREEMENT

Dated as of _____ 1, 2015

Various interests of the Local Building Authority of Parowan City, Utah, in
this Lease Agreement have been assigned to secure the payment of the Local Building
Authority of Parowan City, Utah, Lease Revenue Bonds, Series 2015 under a Master
Resolution dated as of the date hereof.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") dated as of _____ 1, 2015, entered into by and between the LOCAL BUILDING AUTHORITY OF PAROWAN CITY, UTAH (the "Authority"), as lessor hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as issuer under a Master Resolution dated as of even date herewith (the "Master Resolution"), and PAROWAN CITY, UTAH (the "City"), as lessee hereunder, a political subdivision and body politic under the laws of the State of Utah;

WITNESSETH:

WHEREAS, the City is a political subdivision and body corporate and politic duly existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the City has previously authorized and directed the creation of the Authority pursuant to provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council of the City (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporations Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the "Nonprofit Corporation Act") and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the "Utah Local Building Authority Act" and collectively with the Nonprofit Corporation Act, the "Acts"); and

WHEREAS, under the articles of incorporation of the Authority (the "Articles") the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Utah Local Building Authority Act in order to accomplish the public purposes for which the City exists; and

WHEREAS, the Authority is possessed under the Articles of all powers set forth in the Acts, the Constitution and other laws of the State of Utah, including, without limitation, the power to acquire, own, hold, lease and improve real and personal property and to enter into agreements providing for a lease, mortgage or other conveyance of real and personal property; and

WHEREAS, the Authority and the City desire to finance the acquisition and construction of a City administrative building/public safety facility and related improvements (the "Project"); and

WHEREAS, the City desires to Ground Lease to the Authority land to be used as the site of the Project pursuant to a Ground Lease Agreement, dated as of _____

1, 2015, by and between the City, as lessor, and the Authority, as lessee (the "Ground Lease"), and

WHEREAS, the City desires to lease, as lessee, on an annually renewable basis, the Project from the Authority and the Authority desires to lease, as lessor, the Project to the City under the terms and provisions set forth in this Lease; and

WHEREAS, the City has previously approved the estimated costs of the Project; and

WHEREAS, under the provisions of a resolution dated February 12, 2015 (the "City Resolution"), the City Council has authorized and approved the execution of this Lease and has authorized certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance by the Authority under the Master Resolution of its Lease Revenue Bonds, Series 2015 in the total aggregate principal amount of \$972,000 bearing interest at a rate of 1.5% per annum (the "Series 2015 Bonds"); and

WHEREAS, pursuant to the provisions of a resolution dated February 12, 2015, the Board of Trustees of the Authority (the "Governing Board") has authorized, approved and directed the execution of this Lease, has adopted the Master Resolution, and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance of the Series 2015 Bonds; and

WHEREAS, pursuant to and in accordance with the provisions of the Utah Local Building Authority Act and the Articles, the Authority proposes to undertake the financing of the Project and the leasing of the Project to the City under the terms and provisions of this Lease; and

WHEREAS, the Authority proposes to finance the Project, in part, through the issuance of the Series 2015 Bonds; and

WHEREAS, the Series 2015 Bonds will be secured as provided in the Master Resolution including the Security Documents (defined herein) and a pledge and assignment of this Lease and the revenues and receipts derived by the Authority from the Project, all as more fully set forth in the Master Resolution.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

All terms defined in Article I of the Master Resolution, unless the context otherwise requires, shall have the same meaning in this Lease. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for all purposes of this Lease and the Master Resolution, have the meaning herein specified.

“Acts” means, collectively, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended.

“Additional Bonds” means Bonds issued by the Authority pursuant to Section 3.9 of the Master Resolution. No additional Bonds may be issued by the Authority without the prior written consent of the CIB.

“Additional Rentals” means the cost of all taxes, insurance premiums and expenses payable by, and fees of, the Authority with respect to the Bonds and other charges and costs which the City assumes or agrees to pay exclusively from City Funds under Section 6.3 of this Lease, together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth herein.

“Authority” means the Local Building Authority of Parowan City, Utah, a nonprofit corporation organized under the laws of the State acting in the capacity of lessor under this Lease and as issuer under the Master Resolution.

“Authority Representative” means the person or persons at any time designated to act on behalf of the Authority for purposes of performing any act on behalf of the Authority with respect to the Project by a written certificate furnished to the City containing the specimen signature of such person or persons and signed on behalf of the Authority by any duly authorized officer of the Authority. Such certificate may designate an alternate or alternates. The Authority Representative may be an officer or employee of the Authority or the City.

“Base Rentals” means the payments payable by the City exclusively from City Funds pursuant to Section 6.2 of this Lease during the Original Term and any applicable Renewal Term hereof (as those terms are hereinafter defined), which constitute the payments payable by the City for and in consideration of the right of use of the Project during such Original Term and applicable Renewal Terms and the purchase option granted herein.

“Business Day” means a legal business day on which banking business is transacted in the state in which the Authority has its principal office.

“CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“City” means Parowan City, Utah, a political subdivision and body politic duly established and existing under and by virtue of the Constitution and laws of the State.

“City Funds” means all revenues, receipts and other legally available moneys, including without limitation payments received by the City from operation or subleasing of the Project and moneys derived from ad valorem property taxes and other taxes, to the extent the same are budgeted and appropriated by the governing body of the City for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price hereunder during the Original or any Renewal Term in which this Lease may be in effect.

“City Representative” means the person at any time designated to act on behalf of the City for purposes of performing any act with respect to the Project by a written certificate furnished to the Authority containing the specimen signature of such person and signed on behalf of the City by the Mayor or any duly authorized officer thereof. Such certificate may designate an alternate or alternates. The City Representative may be an officer or employee of the Authority or the City.

“Completion Certificate” shall mean the certificate described in Section 7.3 hereof establishing the Completion Date.

“Completion Date” shall mean the date of acceptance by the City of the Project as evidenced by delivery of the Completion Certificate.

“Construction Contract” shall mean any construction contract between the Authority (or its designee) and any contractor regarding construction of the Project.

“Costs of Construction” shall mean:

(a) the actual cost of enlarging, constructing, reconstructing, improving, replacing, restoring, renovating, maintaining, equipping or furnishing all or any part of the Project, including architect’s or engineer’s fees; and

(b) all expenses connected with the authorization, sale and issuance of the Bonds, including trustee initial fees, fees for outside attorneys or accountants, whose opinions are required to obtain the issuance of the Bonds, financial advisors’ fees and commissions and printing costs, those amounts as the Authority shall find necessary to establish reserves and maintenance, repair, replacement, and contingency funds and accounts, and the interest on Bonds for a reasonable time prior to, during, and for a reasonable period of time after completion of the construction of the Project.

“Event of Default” means one or more events of default as defined in Section 14.1 of this Lease.

“Event of Nonappropriation” means a failure by the City to renew this Lease by failing to budget and appropriate sufficient City Funds for the payment of all or any part of the Base Rentals and Additional Rentals for any Renewal Term hereof as set forth in Section 6.6 of this Lease prior to the beginning of any Renewal Term.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies, including terrorists; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the City and not due to its negligence.

“Ground Lease” means the Ground Lease Agreement dated as of _____ 1, 2015, by and between the City, as lessor, and the Authority, as lessee, by which the City leases the Project Site to the Authority.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the State and who is not a full-time employee of the Authority or the City.

“Lease” means this Lease Agreement and any amendments or supplements hereto, including the exhibits attached hereto.

“Lease Term” means the duration of the leasehold estate created in the Project as provided in Article IV of this Lease, including the Original Term and the Renewal Terms, if any.

“Master Resolution” means the Master Resolution of the Authority dated as of the date of this Lease, pursuant to which the Bonds are authorized to be issued and certain interests of the Authority in this Lease, and the Base Rentals, Purchase Option Price and other revenues received by the Authority from the City with respect to the Project are to be pledged and assigned as security for the payment of principal of, premium, if any, and interest, if any, on the Bonds, including any resolution supplemental thereto.

“Net Proceeds,” when used with respect to any performance or payment bond proceeds or proceeds from policies of insurance required hereby or any condemnation award or the proceeds of any liquidation of all or portions of the Project, means the amount remaining after deducting all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Original Term” means the portion of the Lease Term which terminates on December 31, 2015.

“Permitted Encumbrances” means, as of any particular time, liens for taxes and assessments not then delinquent, or which the City may, pursuant to the provisions of Article IX of this Lease, permit to remain unpaid; this Lease, including any security interests granted herein and therein; utility access and other easements and rights of way, restrictions and exceptions which the City Representative and the Authority Representative certify will not interfere with the operation of the Project or impair the

marketability of title to the Project or the general security provided for the Bondholders; the Master Resolution, the Security Documents and related financing statements; the ownership interest of the City in the Project Site under the Ground Lease, and such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Project and as do not, in the opinion of Independent Counsel, materially impair the operation or marketability of title to the Project.

“Project” means the acquisition and construction of a City administrative building/public safety facility and related improvements located in the City, as more fully described in Exhibit A hereto, and the acquisition of a leasehold interest in the Project Site by the Local Building Authority of Parowan City, Utah, as lessee, from Parowan City, as lessor, pursuant to the terms of a Ground Lease.

“Project Documents” means the plans and specifications with respect to the Project, any necessary permits for construction of the Project, including any building permits and certificates of occupancy or waivers of the same; the Construction Contract; policies of title, casualty, public liability and workers’ compensation insurance, or certificates thereof, as required by this Lease with respect to the Project; performance and payment bonds with respect to the Project; contracts with the architect hired in connection with the plans and specifications; and policies of title, casualty and public liability insurance, any and all other documents executed by or furnished to the City in connection with the acquisition, construction and equipping of the Project.

“Project Site” means, collectively, the real property, as more fully described in Exhibit A hereof, upon which the Project is located.

“Purchase Option Price” means an amount payable, at the option of the City, at any time for the purpose of terminating the payment obligation of the City under this Lease and purchasing the Project, which amount, when added to the amounts then on deposit in the Bond Fund and Reserve Fund (other than moneys held by the Authority for the payment of Bonds not deemed Outstanding), shall be sufficient to pay, defease, retire and/or redeem all the Outstanding Bonds, as appropriate, in accordance with the provisions of the Master Resolution (including, without limiting the generality of the foregoing, the principal of and interest to maturity or earliest applicable redemption date of the relevant Bonds, as the case may be, and premium, if any, thereon, the expenses of defeasance and/or redemption, including escrow agent fees, if any, and the Authority’s and paying agents’ fees and expenses) and in case of redemption, to make arrangements satisfactory to the Authority for the giving of the required notice of redemption.

“Refunding Bonds” means Bonds issued by the Authority pursuant to Section 3.8 of the Master Resolution.

“Renewal Terms” means the optional Renewal Terms of the Lease Term as provided in Article IV of this Lease.

“Security Documents” means collectively a leasehold deed of trust, assignment of rents and security agreement with respect to the Project; and Assignment of Ground Lease.

“State” means the State of Utah.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1 Representations, Covenants and Warranties of the City

. The City represents, covenants and warrants for the benefit of the Authority as follows:

(a) The City is a political subdivision and body politic duly existing as such within the State under the Constitution and laws of the State. Under the provisions of the Constitution and laws of the State, the City is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Lease. The City agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) The Authority has by this Lease leased the Project to the City as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Project, subject to Permitted Encumbrances.

(c) During the Lease Term, the Project will at all times be used for the purposes described herein consistent with the permissible scope of the Authority and the City under the Constitution and laws of the State.

(d) The City is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in subsection (a) of this Section 2.1. Neither the execution and delivery of this Lease nor the issuance and sale of the Bonds, nor the performance by the City of its obligations under this Lease will constitute on the part of the City a breach of or a default under, any existing law, court or administrative regulation, decree, order or any material agreement, indenture, mortgage, lease or any other instrument to which the City is subject or by which it is or may be bound.

(e) There is no action, suit or proceeding pending or, to the best knowledge of the City, threatened, or any basis therefor, before any court or administrative agency which may adversely affect the City or ability of the City to perform its obligations under this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the City of this Lease or in connection with the carrying out by the City of its obligations under the Lease have been obtained.

(f) The Project as designed complies with all presently applicable state and local building and zoning ordinances.

(g) The acquisition of the Project will be accomplished in accordance with all applicable laws and is necessary and appropriate for accomplishing one or

more of the authorized functions or public purposes of the City and is suitable for such purpose and in furtherance of the purposes of the City and the best interests of the citizens of the City.

Section 2.2 Representations, Covenants and Warranties of the Authority

. The Authority represents, covenants and warrants for the benefit of the City as follows:

(a) The Authority is a nonprofit corporation duly incorporated and in good standing under the laws of the State and is duly qualified to transact business in the State, is not in violation of any provision of its Articles or its Bylaws, has the corporate power and authority to enter into this Lease and the Ground Lease and has duly authorized and approved the execution and delivery of this Lease and the Ground Lease by proper corporate action.

(b) The Authority agrees that, so long as this Lease has not been terminated, it will maintain its corporate existence, will continue to be a corporation in good standing under the laws of the State, will not dissolve or otherwise dispose of all or substantially all of its assets, except as provided in this Lease, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

(c) The Authority has, or will acquire, ownership of the Project (subject to Permitted Encumbrances). The Authority has by this Lease leased the Project to the City as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Project, subject to Permitted Encumbrances.

(d) The Authority will not pledge the Base Rentals, the Additional Rentals, Purchase Option Price or any of its other rights hereunder and will not assign its interest in or encumber the Project except as provided hereunder and under the Master Resolution and the Security Documents. All property and moneys received by the Authority for the City will, so long as no Event of Nonappropriation or Event of Default shall occur, be applied for the benefit of the City, and all property and moneys received by the Authority hereunder with respect to the Project and under the Master Resolution for the Bondholders of the Bonds will be applied for the proportionate benefit of said Bondholders.

(e) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof or of the Ground Lease, nor the consummation of the transactions contemplated hereby or of the Ground Lease conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority except Permitted Encumbrances.

(f) Except as otherwise provided herein, in the Master Resolution and the Security Documents, the Authority will not assign this Lease, its rights to payments from the City or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(g) The Authority will not use any of the proceeds of the sale of the Bonds in a manner not authorized by the terms of this Lease, the Master Resolution or the exhibits hereto and thereto.

(h) There is no action, suit or proceeding pending or, to the best knowledge of the Authority, threatened, or any basis therefor, before any court or administrative agency which might adversely affect the Authority or the ability of the Authority to perform its obligations under the Lease, the Ground Lease, the Master Resolution, the Security Documents or the Bonds. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Authority of this Lease, the Master Resolution, the Security Documents and the Bonds or in connection with the carrying out by the Authority of its obligations under this Lease, the Ground Lease, the Master Resolution, the Security Documents and the Bonds have been obtained.

(i) The Authority gave notice of its intent to issue the Series 2015 Bonds and no petition meeting the requirements of the Utah Local Building Authority Act was submitted during the 30-day period following publication of such notice.

ARTICLE III

DEMISING CLAUSE

The Authority hereby demises and leases the Project to the City and the City leases the Project from the Authority, subject only to Permitted Encumbrances in accordance with the provisions of this Lease, to have and to hold under this Lease unless sooner terminated as expressly provided herein. Nothing in this Lease shall be construed to require the City to operate the Project other than as the lessee hereunder or to exercise its right to purchase the Project or any portion thereof as provided in Article XII of this Lease.

The Authority warrants and covenants that it has (or will have) a leasehold interest in the Project Site and that it will furnish the Project, all as more fully described in Exhibit A hereto and subject to Permitted Encumbrances. The Authority will cause to be furnished at the time of delivery of the Series 2015 Bonds, or at or prior to disbursement of any amounts with respect to such portion of the Project, a title report issued by a title insurance company satisfactory to the CIB which satisfies the requirements of Section 3.3(c) of the Master Resolution.

The Authority shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Lease, or the Master Resolution or the Security Documents, to collect the amounts payable hereunder or under any sublease and apply those amounts to the Base Rentals and Additional Rentals, as appropriate, for the current renewal term. Except as otherwise provided hereunder or under any sublease, no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

ARTICLE IV

LEASE TERM

Section 4.1 Commencement of Lease Term

. The Lease Term shall commence as of the date of delivery of the Series 2015 Bonds and shall terminate at midnight on December 31, 2015.

Notwithstanding anything contained elsewhere herein to the contrary, the Lease Term will be automatically renewed prior to the Completion Date of the Project, since the City will not be required to budget and appropriate funds for the payment of Base Rentals until such date and should the City budget and appropriate funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the following Renewal Term with respect to the Lease, the City shall automatically be deemed to have continued the Lease Term for such Renewal Term. Should the City fail to budget and appropriate funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the following Renewal Term under the Lease, the City may, nevertheless elect to continue the Lease Term in accordance with the provisions hereof.

Section 4.2 Termination of Lease Term

. The Lease Term shall terminate upon the first to occur of the following events:

- (a) the occurrence of an Event of Nonappropriation;
- (b) the exercise by the City of its option to purchase the Project, granted under the provisions of this Lease;
- (c) an Event of Default and the election of the Authority to terminate this Lease under Article XIV hereof;
- (d) the discharge of the lien of the Master Resolution under Article IX thereof;
- (e) the termination of the Lease Term pursuant to Section 10.3 of this Lease under the conditions provided therein; or
- (f) October 1, 2045, which date constitutes the last day of the final Renewal Term of this Lease, upon payment of all Base Rentals and Additional Rentals required hereunder.

ARTICLE V

ENJOYMENT OF PROJECT

Subject to the provisions of the Lease, the Authority hereby covenants to provide the City during the Lease Term with quiet use and enjoyment of the Project, and the City shall during the Lease Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from the Authority or the Bondholders, except as expressly set forth herein and in the Master Resolution and the Security Documents. Neither the Authority nor any Bondholder shall interfere with such quiet use and enjoyment during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Authority shall, at the request of the City and at the cost of the City, join in any legal action in which the City asserts its right to such possession and enjoyment, to the extent that the Authority may lawfully do so. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Project and shall be joined as a party in any action affecting its liabilities hereunder.

The Authority shall have the right at all reasonable times during business hours (and in emergencies at all times) to enter into and upon the Project for the purpose of inspecting the same.

ARTICLE VI

PAYMENTS BY THE CITY

Section 6.1 Payments to Constitute a Current Expense of the City

. The City and the Authority acknowledge and agree that the obligation of the City to pay Base Rentals and Additional Rentals hereunder constitutes a current expense of the City payable exclusively from City Funds and shall not in any way be construed to be an obligation or indebtedness of the City within the meaning of Sections 3 or 4 of Article XIV of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the City concerning the creation of indebtedness. No provision of this Lease shall be construed or interpreted as a lending of the credit of the City within the meaning of Section 29 of Article VI of the Utah Constitution. Neither the City, nor the Authority on its behalf, has pledged the credit of the City to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the Bonds or the interest thereon, and neither this Lease, the Ground Lease, the Security Documents, the Master Resolution nor the Bonds, if any, shall directly or contingently obligate the City to apply money, or to levy or pledge any form of taxation, to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the Bonds or any interest thereon except as expressly provided herein.

Section 6.2 Payment of Base Rentals

. The City shall pay Base Rentals exclusively from City Funds. The City shall pay Base Rentals during the Original Term and any Renewal Term in such amounts as shall be sufficient to pay principal when due on the Bonds. The Base Rentals shall be payable directly to the Authority in annual payments in such amounts as shall equal the interest payments, if any, falling due on the Bonds on the next succeeding interest payment date and the principal payments falling due on the Bonds, either by regularly scheduled maturities or by mandatory sinking fund redemption, on the next succeeding principal payment date, such that there shall be on deposit with the Authority at least fifteen (15) days prior to each principal and/or interest payment date on the Bonds an amount sufficient to make such payment. In addition, until the Reserve Fund with respect to the Bonds is at all times fully funded to the Reserve Fund Requirement, the City shall, in the event it elects to renew this Lease during the following Renewal Term, and as a condition of renewal, pay to the Authority in annual payments Additional Rentals during the following Renewal Term, in an amount sufficient to fund or replenish the Reserve Fund to the Reserve Fund Requirement as provided in the Master Resolution. Notwithstanding anything contained herein to the contrary, no payment of Base Rentals or Additional Rentals shall be required to be paid prior to delivery of the Project to the City for occupancy, provided, however, that as substantial portions of the Project are available for operation the City shall pay Base Rentals in proportion to the portion available. The amount of the Base Rentals otherwise payable by the City hereunder shall be reduced by an amount equal to earnings on the investment of the Bond Fund, moneys transferred to the Bond Fund from the Reserve Fund pursuant to the last paragraph of Section 6.7 of the Master Resolution which moneys are applied to pay the principal of and interest, if any, on the Bonds, any moneys paid by the Authority for the purchase of the Bonds and the cancellation thereof or which are otherwise deposited

in the Bond Fund, other than moneys paid as Base Rentals or the Purchase Option Price. Base Rentals due at least fifteen (15) days prior to any Bond payment date shall be in consideration for the use of the Project by the City during the one-year period succeeding each Bond payment date and for the option to purchase the Project granted herein.

It is understood and agreed by the City that, subject to the terms of this Lease and the Master Resolution, all Base Rentals payable under this Section 6.2 by the City, as well as the Purchase Option Price, if paid with respect to the Project, are pledged by the Authority for the benefit of the Bondholders. The City assents to such pledge. The Authority hereby directs the City, and the City hereby agrees to pay to the Authority at its principal office, all Base Rentals payable by the City pursuant to this Section 6.2 and, if paid, the Purchase Option Price.

The amount of the Base Rentals and Purchase Option Price otherwise payable shall be reduced as appropriate to reflect any redemption of Bonds and/or the purchase of Bonds and the cancellation thereof in advance of their maturity; provided, however, that adequate provision shall be made for the payment of any Additional Bonds or Refunding Bonds. If at any time the amounts held by the Authority in the Bond Fund and the Reserve Fund (other than moneys held for the payment of Bonds not deemed Outstanding) shall be sufficient to pay at the times required the principal of and interest and redemption premium, if any, on all of the Bonds (including any Additional Bonds and Refunding Bonds) then Outstanding, the City shall not be obligated to pay any further Base Rentals hereunder.

Section 6.3 Payment of Additional Rentals with Respect to the Project

. In addition to the Base Rentals and as part of the total consideration for the use of the Project and the option to purchase the Project, and commencing upon delivery of possession of the Project or any substantial portion thereof, as provided in Section 6.2 of this Lease and continuing throughout the period that the City pays Base Rentals, the City shall pay the following Additional Rentals, exclusively from City Funds, during the Original Term and any Renewal Terms thereof as hereinafter provided:

(a) the annual fee of the Authority for the ordinary services of the Authority rendered and its ordinary expenses incurred under the Master Resolution;

(b) the reasonable fees and charges of the Authority and any paying agent appointed under the Master Resolution with respect to the Bonds for acting as paying agent as provided in the Master Resolution;

(c) the reasonable fees and charges of the Authority for extraordinary services rendered by it and extraordinary expenses incurred by it as Authority under the Master Resolution;

(d) the reasonable out-of-pocket expenses of the Authority not otherwise required to be paid by the City under the terms of this Lease;

(e) the costs of maintenance and repair as required under Section 9.1 of this Lease;

(f) the costs of taxes, governmental charges, utility charges, management and operations expenses, liens and encumbrances as required under Section 9.3 of this Lease;

(g) the costs of casualty, public liability and property damage and worker's compensation insurance as required under Sections 9.4, 9.5 and 9.6 of this Lease;

(h) the amount of any tax or excise on the Base Rentals, Additional Rentals, Purchase Option Price or any other tax, however described, levied, assessed or imposed by the United States Government, the State or any political subdivision or any taxing authority thereof against the Authority; and

(i) an amount equal to any franchise, succession, capital levy or transfer tax or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy upon the Base Rentals, Additional Rentals or the Purchase Option Price payable by the City pursuant to this Lease.

The Additional Rentals specified in subsections (a), (b) and (c) shall be payable to the Authority and shall be due and payable within ten (10) days after notice in writing from the Authority to the City stating the amount of Additional Rentals then due and payable and the purpose thereof. Except as otherwise provided herein or in the Master Resolution, the Additional Rentals specified in subsections (d), (e), (f), (g), (h) and (i) shall be payable to the Authority or directly to the person or entity with respect to which such costs were incurred and shall be due and payable at such time as the Authority or such person or entity shall require.

Section 6.4 Manner of Payment

The Base Rentals, Additional Rentals and, if paid, the Purchase Option Price, shall be paid exclusively from City Funds and in lawful money of the United States of America. The obligation of the City to make payment of the Base Rentals and Additional Rentals required under this Article VI and other sections hereof and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events except as expressly provided hereunder. Notwithstanding any dispute between the City and the Authority, any Bondholder, any contractor or subcontractor retained with respect to the acquisition, construction and equipping of the Project, any supplier of labor or materials in connection therewith or any other person, the City shall pay all payments of Base Rentals and Additional Rentals, from and to the extent of available City Funds, when due, and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute, nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. The obligation of the City to pay Base Rentals and Additional Rentals during the Original Term and the then current Renewal Term shall be absolute and unconditional in all events, except as expressly provided herein, and

payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances.

Section 6.5 Expression of Need for the Project by the City; Determination of Purchase Price

. The City hereby declares that, as of the date of the execution of this Lease, the City currently has an essential need for the Project which is the subject of this Lease to carry out and give effect to the public purposes of the City. By the execution hereof, the City and the Authority hereby agree and determine that the Base Rentals and Additional Rentals payable hereunder are reasonable and that the Purchase Option Price represents, as of the end of the Original Term or any Renewal Term, a reasonable purchase price of the Project. In making such determination the City and the Authority have given consideration to the costs of construction of the Project, the cost of financing the Project, the uses and purposes for which the Project will be employed by the City and the benefit to the citizens of the City by reason of the City's use and occupancy of the Project pursuant to the provisions of this Lease.

Section 6.6 Nonappropriation

. In the event that sufficient City Funds shall not be budgeted and appropriated by the City prior to the beginning of any Renewal Term for the payment of the Base Rentals becoming due during such Renewal Term, and such Additional Rentals becoming due during such Renewal Term which can be determined with reasonable accuracy, then an Event of Nonappropriation shall be deemed to have occurred as of the first day of such Renewal Term and the City shall not be obligated to make payment of the Base Rentals or Additional Rentals provided for herein beyond the last day of the Renewal Term preceding such Event of Nonappropriation. Subject to the provisions of the next succeeding sentence, once the City has elected to continue this Lease for a Renewal Term by budgeting and appropriating sufficient City Funds for the payment of Base Rentals and Additional Rentals hereunder the City shall, as of the first day of such Renewal Term, be obligated to pay such Base Rentals and Additional Rentals during such Renewal Term. If the City fails to pay any Base Rentals or Additional Rentals due under this Lease, or upon an Event of Nonappropriation the City shall immediately quit and vacate the Project and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate. The Authority shall, upon the occurrence of an Event of Nonappropriation, have all rights and remedies to take possession of the Project as trustee for the benefit of the Bondholders and shall hold in trust for the Bondholders all moneys then on hand and being held in all funds created under the Master Resolution. All property, funds and rights acquired by the Authority by reason of an Event of Nonappropriation as provided herein shall be held by the Authority under the Master Resolution for the benefit of the Bondholders as set forth in said Master Resolution until the principal of, and premium, and interest, if any, on the Bonds are paid in full and any excess shall thereafter be paid to the City.

The parties hereto agree that, upon the occurrence of an Event of Nonappropriation, the City shall immediately quit and vacate the Project.

Section 6.7 Application of Base Rentals, Additional Rentals and Purchase Option Price

—All Base Rentals, the Additional Rentals specified in subsections (a), (b), (c) and (d) of Section 6.3 hereof, and, if paid by the City, the Purchase Option Price shall be paid to the Authority for application in accordance with the Master Resolution.

Section 6.8 Request for Appropriation

. To the extent permitted by law, the City covenants and agrees as follows:

(a) During the term of this Lease, the City covenants and agrees to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the City in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose, including but not limited to such revenues and receipts, if any, as may be generated by the City's operation or subleasing of the Project) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided herein) for the Project during the next succeeding Renewal Term, and to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of the City for its consideration seeks an appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term, including all such actions for such purpose as may be required under the Uniform Fiscal Procedures Act for Cities, Title 10, Chapter 6, Utah Code Annotated 1953, as amended (the "Uniform Fiscal Procedures Act"). The first such inclusion in the City's annual tentative budget shall be made under applicable law in the fiscal year prior to the fiscal year commencing July 1, 2016, so that the Base Rentals payable during such Renewal Term and the reasonably estimated Additional Rentals payable during such Renewal Term will have been appropriated for such purpose, and subsequent inclusions in each respective tentative budget for appropriations by the City shall be made in each fiscal year thereafter so that the Base Rentals to be paid during the succeeding Renewal Term and Additional Rentals payable during such Renewal Term will be available for such purposes as long as the governing body of the City determines to approve such amount in the final budget as adopted.

To effect the covenants set forth in (a) above, the City hereby directs its "budget officer" (as such term is defined in the Uniform Fiscal Procedures Act, or any other officer at the time charged with the responsibility of formulating budget proposals) to include in the tentative budget prepared annually by such budget officer or other officer and submitted to the governing body of the City, in any year in which this Lease is in effect, items for all payments required for the ensuing Renewal Term under this Lease. It is hereby expressed as the intention of the City that the decision to renew or not to renew the term of this Lease is to be made solely by the governing body of the City at the time it considers for adoption the final budget for each of its fiscal years and corresponding Renewal Terms hereunder, and not by any official of the City, acting in his or her individual capacity as such. In this connection, the City

hereby covenants and agrees that such budget officer or other officer shall not amend, modify or otherwise change the appropriations made in any finally adopted budget for the payment of any Base Rentals or Additional Rentals without the express prior approval of the governing body of the City.

ARTICLE VII

ACQUISITION OF THE PROJECT AND ISSUANCE OF SERIES 2015 BONDS

Section 7.1 Agreement to Construct Project

. The City and the Authority agree that the Authority shall cause the Project to be acquired and constructed as herein provided, all of which acquisition and construction shall be made in accordance with the plans and specifications for the Project as approved by the City and the Authority. The Authority hereby agrees that in order to effectuate the purposes of this Lease, it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for the acquisition and construction of the Project.

The Authority agrees to acquire and construct the Project through the application of moneys to be disbursed from the Escrow Account (as defined in the Master Resolution) by the Authority upon the authorization of the Authority Representative in accordance with the Master Resolution.

The Authority agrees to cause the construction of the Project to be completed with all reasonable dispatch, and to use its best efforts to cause the same to be completed by June 1, 2016, or as soon thereafter as may be practicable, subject only to delays caused by Force Majeure excepted; but if for any reason the Project is not completed by said date, there shall be no resulting liability on the part of the Authority or Event of Default hereunder.

Section 7.2 Agreement to Issue the Series 2015 Bonds; Application of Bond Proceeds

. To provide funds to finance the Project (as described herein), the Authority, concurrently with the execution of this Lease, will issue, sell and deliver to the purchasers thereof the Series 2015 Bonds and the Authority will deposit the proceeds thereof in the Escrow Account as provided in the Master Resolution. Moneys shall be disbursed from the Escrow Account in accordance with the terms of the Escrow Agreement.

Section 7.3 Establishment of Completion Date; Disbursement of Balance of Escrow Account

. The Completion Date shall be evidenced by a certificate signed by the Authority Representative and the City Representative stating that, except for amounts retained by the Authority at the direction of the Authority for any Costs of Construction not then due and payable, the acquisition and construction of the Project has been completed in accordance with the plans and specifications and all labor, services, materials and supplies used in such acquisition and construction have been paid for, all other facilities necessary in connection with the Project have been constructed, acquired and installed to their satisfaction, the Project is suitable and sufficient for its intended purposes, and all costs and expenses incurred in the acquisition and construction of the

Project have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Authority shall terminate the Escrow Account and disburse any remaining moneys on deposit therein to the Bond Fund to be used to prepay the Bonds as provided in the Escrow Agreement.

Section 7.4 Sufficiency of Escrow Account

. In the event that the moneys held in the Escrow Account are insufficient to pay all Costs of Construction, the City and the Authority hereby agree to reduce the scope of the Project (particularly, flexible costs of the Project) in order that all of such costs will be covered without the necessity of issuing Additional Bonds, or to deposit additional moneys in the Escrow Account either through the issuance of Additional Bonds or from other legally available moneys sufficient to complete construction of the Project.

Section 7.5 Investment of Bond Fund and Reserve Fund Moneys

. Subject to the provisions of Article VI of the Master Resolution, any moneys held as a part of the Bond Fund, the Reserve Fund or any other fund created under said Master Resolution shall be invested and reinvested by the Authority in Investment Obligations (as defined in the Master Resolution).

Section 7.6 Required Provisions of Construction Contracts; Right to Inspect Project Documents, Etc.

(a) Each Construction Contract executed in connection with the acquisition and construction of the Project must provide that, upon an Event of Nonappropriation or an Event of Default, the Construction Contract will be fully and freely assignable to a receiver or other fiduciary for the Bondholders without the consent of any other person; and that, if the Construction Contract is assumed by such fiduciary, the Contractor will perform the agreements contained in the Construction Contract for such fiduciary. Each Construction Contract must also provide that, upon an Event of Nonappropriation, an Event of Default or damage to, or destruction or condemnation of, the Project as described in Section 10.1 hereof, the Authority may terminate such Contract, and the contractor shall then be entitled to payment only from amounts available therefor in the Escrow Account and only for work done prior to such termination. The City agrees that upon the occurrence of an Event of Nonappropriation or an Event of Default and upon receipt of a written request from the Authority, it will assign to the Authority all of its right, title and interest in and to all Construction Contracts and other Project Documents. Each Construction Contract shall be for a fixed price and shall require the contractor to provide 100% payment and performance bonds. Such bonds shall be made payable to the Authority, shall be executed by a corporate surety licensed to transact business in the State of Utah and acceptable to the City and the Authority, and shall be in an amount equal to the contract price for such contractor's Construction Contract. If, at any time during the construction of the Project, the surety on such bond shall be disqualified from

doing business within the State of Utah, or shall otherwise become incapable (in the judgment of the Authority) of performing its obligations under such bond, an alternate surety acceptable to the City and the Authority shall be selected. In the event of any change order resulting in the performance of additional work in connection with the construction of the Project, the amount of such bonds pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Project.

(b) The City shall have and keep on file and available for inspection by the Authority the copies of the Project Documents, throughout the Lease Term or as soon after the commencement of the Lease Term as such Project Documents shall become available to the City. Neither the Project Documents nor any change or amendments thereto shall cause the Project to be used for any purpose prohibited by this Lease or by the Constitution and laws of the State of Utah; result in a material reduction in the fair rental value of the Project; or adversely affect the ability of the City to meet its obligations hereunder.

(c) The City covenants to cause, each Contractor, prior to entering into a Construction Contract, to procure and thereafter to maintain standard form commercial general public liability insurance, at its own cost and expense, during the duration of such contractor's Construction Contract.

(d) Unless the City shall otherwise agree in the Construction Contract to carry the builder's risk insurance hereinafter described, each general contractor retained in connection with the construction of the Project shall procure and maintain, at its own cost and expense, during the term of its Construction Contract and until the Project is accepted and insured by the City, standard all risk of loss builder's risk completed value insurance upon the Project constructed or to be constructed, in whole or in part, by such contractor or its subcontractors. The policy may have a deductible clause in such amount as may be approved by the Authority and the City, provided, however, that the Authority shall not thereby be deemed to have incurred any obligation to reimburse the Bondholders or any other person for the amount of the deductible. Such insurance coverage shall be in an amount at least equal to the total contract price for such contractor's and its subcontractors' work. In the event of any change order resulting in the performance of additional work in connection with the Project, the amount of such insurance shall be increased to include the cost of such additional work. In the event the City elects to carry such insurance, such coverage may be provided under a blanket policy.

(e) Each contractor for the Project shall procure and maintain workers' compensation insurance as required by applicable law.

(f) Each Construction Contract shall contain provisions regarding liquidated damages and construction retainage acceptable to the City.

(g) Except for the insurance described in (e) above, all such insurance policies and payment and performance bonds described above shall carry loss payable endorsement in favor of the Authority and amendments thereto or settlement thereunder may only be made with the consent of the Authority.

Section 7.7 Remedies Against Contractors

. The City and the Authority shall proceed promptly, either separately or in conjunction with others, to pursue diligently its or their remedies against any contractor or subcontractor which is in default under any of the Construction Contracts and/or against each surety on any bond securing the performance of such Construction Contract.

ARTICLE VIII

TITLE TO THE PROJECT; CONVEYANCE TO THE CITY; SECURITY INTEREST

Section 8.1 Title to the Project

. Title to the Project and any and all additions, repairs, replacements or modifications thereto, shall be held in the name of the Authority, subject to Permitted Encumbrances, at all times until conveyed to the City as provided in Section 12.1. The City shall not have any right, title or interest in the Project or any additions, repairs, replacements, modifications or fixtures thereto except as expressly set forth herein.

Section 8.2 Security Interest

. To secure the payment of all of the obligations of the Authority under the Master Resolution, the Authority shall grant to the Bondholders a security interest in the Project, the Base Rentals and Additional Rentals received by the Authority under this Lease, and all other rights to receive payments. Upon execution of this Lease, the City and the Authority agree that the Authority shall execute the Security Documents and the Master Resolution. The Authority agrees that the Authority Representative shall, on its behalf, execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to the Authority, which the Authority reasonably deems necessary or advisable to establish and maintain the security interest granted under this Section 8.2.

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.1 Maintenance of the Project by the City

. The City shall, at its own expense from available City Funds, operate, manage, keep and maintain the Project in good working order, condition and repair, including replacements of a capital nature when necessary, and including periodic painting as reasonably determined by the Authority and in accordance with all operating and maintenance manuals and all applicable laws, rules, ordinances, orders and regulations as shall be in effect from time to time of any federal, state, City, municipal, or other governmental or quasi-governmental agencies and bodies having or claiming jurisdiction thereof and all their respective departments, bureaus, and officials; the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction thereof; and all insurance companies insuring all or any part of the Project. The foregoing shall not be construed to prohibit the City from challenging the validity or applicability of such laws, rules, ordinances, orders and regulations and to defer compliance until the challenge has been completed.

Without limiting the generality of the foregoing, the City shall, at the City's sole cost and expense, as if the City were the absolute owner thereof, from available City Funds, assume all responsibility for the Project (including all surfaces of the buildings and entrances thereto, foundations, ceilings, roof, all glass and show window moldings and all partitions, doors, fixtures, equipment, and appurtenances thereto, including lighting and plumbing systems and fixtures, sewage facilities, electric motors and heating, ventilating and air-conditioning systems, and all landscaping, parking lots, driveways, fences and signs located on the Project Site and all sidewalks and parkways located adjacent to the Project Site) and pay all costs of any kind (including operating costs and costs of repair, whether of a capital nature or otherwise) associated therewith.

Section 9.2 Modification of the Project

. The City shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements thereto, at its own cost and expense, and the same shall be subject to this Lease, the Master Resolution and the Security Documents, and shall also be included under the terms hereof and thereof; provided, however, that such remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of this Lease, and the Constitution and laws of the State; and provided, however, that the Project, as remodeled, improved or altered upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Article IX shall be of a fair rental value not less than the fair rental value of the Project immediately prior to the remodeling or the making of substitutions, additions, modifications and improvements. The City shall not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by the City; provided, however, that if the City shall first notify the Authority of the

intention of the City so to do, the City may in good faith contest any mechanic's or other lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of the City. Any property for which a substitution or replacement is made pursuant to this Section 9.2 may be disposed of by the City in any manner and in the sole discretion of the City.

Section 9.3 Taxes, Other Governmental Charges and Utility Charges

. In the event that the Project or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Project, an Additional Rental, from and to the extent of City Funds, shall be paid by the City equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during that period that the City is obligated to pay Base Rentals. The City shall not allow any liens for taxes, assessments or governmental charges to exist (including, without limitation, any taxes levied which, if not paid, will become a charge on the rentals and receipts prior to or on a parity with the charge thereon and the pledge and assignment thereof to be created and made in the Master Resolution), or any interest therein (including the interest of the Authority) or the rentals and revenues derived therefrom or hereunder. The City shall also pay as Additional Rentals, from and to the extent of available City Funds, as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

As long as the City is in possession of the Project and except as otherwise provided herein, it shall keep it free and clear of all liens, charges and encumbrances (except Permitted Encumbrances and any encumbrances arising through the Authority) and shall have the responsibility for all management, operations, maintenance and repair of the Project. The City in its discretion may discharge such responsibility by: using its own employees; or contracting for services; or subleasing portions of the Project, subject to the provisions hereof and of the Master Resolution; or any combination of such methods. No such contract or sublease shall place a greater burden on the Authority than provided herein, nor infringe upon rights granted to or retained by the Authority hereunder, nor violate or in any way impair the Authority's obligations under the Master Resolution or any other instrument, if any, securing any debt or borrowings by the Authority, all or substantially all the proceeds of which are to be used to finance the Project. The Authority does not agree to provide anything more than the Project as herein defined, and shall have no obligation to incur any expense of any kind or character

in connection with the management, operation, or maintenance of the Project during the Lease Term.

The City may, at the expense and in the name of the City, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom provided the City shall first deposit with the Authority, or in court, a bond or other security satisfactory to Authority pursuant to Section 1.18 of the Leasehold Deed of Trust, Assignment of Rents and Security Agreement delivered by the Authority unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Project or any portion thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid forthwith. In the event that the City shall fail to pay any of the foregoing items required by this Section 9.3 to be paid by the City, the Authority may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at a rate per annum equal to eighteen percent (18%) as of the date of payment, the City agrees to pay, from and to the extent of available City Funds.

Section 9.4 Provisions Respecting Insurance

The City agrees to insure or cause to be insured the Project against loss or damage of the kinds usually insured against by public bodies similarly situated, including, without limitation, policies of casualty and property damage insurance, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with a uniform standard coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Project. The term "full insurable value" as used herein shall mean the actual replacement value, or at the option of the City any lesser amount which is equal to or greater than the amount of all of the Bonds then Outstanding. Alternatively, the City may insure or cause to be insured under a blanket insurance policy or policies or under self-insurance which cover not only the Project but other properties in the amounts required by the previous sentence. If a program of self-insurance is used, such program must provide for disbursements therefrom without the approval of the governing body of the City and such program shall be reviewed at least annually by an actuarial consultant, to insure that the reserves established are sufficient for the risks intended to be covered by such program. If self-insurance is not utilized, the policies may have a deductible clause in an amount not to exceed \$250,000.

Any insurance policy issued pursuant to the preceding paragraph of this Section 9.4 shall be so written or endorsed as to make losses, if any, payable to the Authority under the Master Resolution. The Net Proceeds of the insurance required in this Section 9.4 shall be applied as provided in Section 10.2 or, at the option of the City, Section 10.3 of this Lease. The City may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance only with written approval of the Authority. Each insurance policy provided for in Section 9.4 of this Lease shall

contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the City or the Authority without first giving written notice thereof to the City, the Authority and the CIB at least ten (10) days in advance of such cancellation or modification. Copies of all insurance policies issued pursuant to Section 9.4 or Section 9.5 of this Lease, or certificates evidencing such policies, shall be deposited with Authority.

Section 9.5 Public Liability Insurance

. The City agrees to carry or cause to be carried public liability insurance with one or more reputable insurance companies in minimum amounts of \$1,000,000 for the death of or personal injury to one person and \$250,000 for personal injury or death for each occurrence and \$300,000 for property damage for any occurrence. The Authority shall be made additional insureds under such policies. The insurance required by this Section 9.5 may be by blanket insurance policy or policies or self-insurance meeting the requirements of Section 9.4 hereof. If self-insurance is not utilized, the policies may have a deductible clause in such amount as shall be approved by the Authority.

Section 9.6 Worker's Compensation Coverage

. At all times from the date hereof until the end of the Lease Term, the City shall maintain, or cause to be maintained, worker's compensation coverage with respect to officers, agents and employees of the City working in, on or about the Project, including coverage for occupational diseases.

Section 9.7 Advances

. In the event that the City shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Project in good repair and operating condition, the Authority may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; which amounts, together with interest thereon at a rate of 18% per annum, the City agrees to pay, from and to the extent of available City Funds.

Section 9.8 Failure to Provide Insurance

. In the event the Authority pays for any insurance policies required by this Article, the City will promptly pay directly to the Authority all premiums for said insurance, and until payment is made by the City therefor, the amount of all such premiums which have been paid by the Authority shall bear interest at the per annum rate of 18%. The City shall, upon the Authority's reasonable request, deposit with the Authority in monthly installments an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Article. The City further agrees, upon the Authority's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to the Authority. If at any time and for any reason the funds deposited with the Authority are or will be insufficient to pay such amounts as may then or subsequently be due, the Authority shall notify the City and the City shall immediately deposit an amount equal to such deficiency with the Authority.

Section 9.9 Evidence and Notice Regarding Insurance

. Evidence of the insurance required by Sections 9.4 and 9.5 hereof shall be provided by the City to the Authority annually on or before the anniversary date of issuance of the Bonds. Policies providing said insurance shall require that notice of cancellation of any said insurance must be furnished to the Authority and the CIB by the insurance carrier thirty (30) days in advance of cancellation.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.1 Damage, Destruction and Condemnation

. If, prior to the termination of the Lease Term and the payment in full of the Bonds (or the making of provisions for the payment thereof in accordance with the Master Resolution) the Project or any material portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or title to, or the temporary or permanent use of the Project or any material portion thereof or the estate of the City or the Authority in the Project or any material portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or a material defect in construction of the Project shall become apparent; or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, the City shall be obligated, subject to the provisions of Section 10.3 of this Lease, to continue to pay the amounts specified in Sections 10.2, 6.2 and 6.3 of this Lease regardless of whether the Project shall have been accepted.

Section 10.2 Obligation of the City to Repair and Replace the Project

. Subject to the provisions of Section 10.3 of this Lease, the City shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards with respect to the Project to be deposited in a separate trust fund with the Authority. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification or improvement of the Project by the City upon receipt of a requisition acceptable to the Authority signed by the City Representative, stating with respect to each payment to be made: the requisition number; the name and address of the person, firm or corporation to whom payment is due; the amount to be paid; that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund, and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation; and such other documents and information as the Authority requires. The balance of any such Net Proceeds remaining after such repair, restoration, modification or improvement has been completed shall be transferred to the Bond Fund to be applied to the payment of the principal of, premium, if any, and interest on the Bonds, or if said Bonds shall have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Master Resolution), any balance remaining in such separate trust fund shall be paid to the City. If the Net Proceeds shall be insufficient to pay in full the cost of any repair, restoration, modification or improvement or to redeem all Outstanding Bonds, the City shall, from and to the extent of available City Funds, complete the work and pay any cost in excess of the amount of the Net Proceeds. The City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this Section 10.2, the City shall not be entitled to any reimbursement therefor from the Authority or the Bondholders nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals payable under Sections 6.2 and

6.3 of this Lease. The City further agrees that any repair, restoration, modification or improvement paid for in whole or in part out of such Net Proceeds shall be subject to the security afforded by the Master Resolution, this Lease and the Security Documents, and shall be included under the terms hereof.

Section 10.3 Discharge of the Obligation of the City to Repair and Replace the Project

. In the event that the Net Proceeds of any insurance policy, performance bond or condemnation award made available by reason of an occurrence described in Section 10.1 of this Lease shall be insufficient to pay in full the cost of any repair, restoration, or modification of the Project required under Section 10.2 of this Lease, then the obligation to repair and replace the Project under Section 10.2 of this Lease may, at the option of the City, be discharged by depositing the Net Proceeds of the insurance policies, performance bonds or condemnation awards made available by reason of such occurrence into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the City shall have no further obligation for the payment of Base Rentals and Additional Rentals hereunder, and possession of the Project as well as all rights created pursuant to this Lease and interest of the City and the Authority therein and in any funds or accounts created under the Master Resolution (except for moneys held for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Bondholder. Thereafter, the Project may be liquidated pursuant to the provisions of the Master Resolution and Security Documents and the proceeds of such liquidation and the Net Proceeds of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the Bonds on the next succeeding redemption date. Such redemption of Bonds shall be made upon full or partial payment of the principal amount of the Bonds then Outstanding and accrued interest thereon all in accordance with the Master Resolution. In the event that available moneys shall be insufficient to redeem said Bonds by payment of an amount equal to the Outstanding principal amount thereof and accrued interest to the redemption date, no further claim for payment may be had by the Bondholders against the Authority or the City, as provided in the Master Resolution.

Section 10.4 Cooperation of the Authority

. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any portion thereof or any property of the City in connection with which the Project is used and will, to the extent it may lawfully do so, and shall permit the City to litigate in any proceeding resulting therefrom in the name and behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding or any part thereof without the written consent of the City Representative.

Section 10.5 Condemnation of Property Owned by the City

. The City shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Project.

ARTICLE XI

DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS

Section 11.1 Disclaimer or Warranties

. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY OF THE EQUIPMENT OR FIXTURES THEREIN OR ANY OTHER REPRESENTATION OR WARRANTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the use by the City of any item, product or service provided for herein.

Section 11.2 Further Assurances and Corrective Instruments

. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the intention hereof.

Section 11.3 City and Authority Representatives

. Whenever under the provisions hereof the approval of the City or the Authority is required, or the City or the Authority is required to take some action at the request of the other, such approval or such request shall be given for the City by the City Representative and for the Authority by the Authority Representative, and any party hereto and the Authority shall be authorized to act on any such approval or request.

Section 11.4 Requirements of Law

. During the Lease Term, the City and the Authority shall observe and comply promptly with all current and future laws, ordinances, orders, rules and regulations as the same become effective, of the federal, state, City and City governments and of all courts or other governmental authorities having jurisdiction over the Project or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Project, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Project or any portion thereof, whether the same are in force at the commencement of the Lease Term or may in the future be passed, enacted or directed.

Section 11.5 Inspection of the Project

. The City and the Authority agree that the Bondholders or their duly authorized agents shall have the right at all reasonable times to enter upon the Project and to examine and inspect the Project. The Authority and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and

other papers of the City and the Authority with respect to the Project.

Section 11.6 Granting of Easements

. As long as no Event of Nonappropriation or an Event of Default with respect to the Project shall have happened and be continuing, the City may at any time or times grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in this Lease and the Master Resolution, free from the security interest afforded by or under this Lease, the Master Resolution and the Security Document or the City may release existing easements, licenses, rights of way and other rights and privileges with or without consideration, and the Authority agrees that it shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other grant or privilege upon receipt of: a copy of the instrument of grant or release; a written application signed by the City Representative requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Project or any material portion thereof; and an opinion of Independent Counsel that such grant or release will not materially weaken, diminish or impair the security granted to the Bondholders and contemplated hereby or hereunder or under the Master Resolution or the Security Documents.

Section 11.7 Refunding Bonds

. Refunding Bonds may be issued by the Authority in accordance with the provisions of this Section 11.7 and Section 3.8 of the Master Resolution. Prior to, or concurrently with, the issuance of and delivery of Refunding Bonds, the Authority shall pay, or make provision for the payment of, all Bonds then Outstanding (other than such Refunding Bonds) as set forth in Article IX of the Master Resolution.

Section 11.8 Issuance of Additional Bonds

. Additional Bonds may be issued by the Authority in accordance with the provisions of Section 3.9 of the Master Resolution and with a corresponding effect on the Base Rentals and Additional Rentals due hereunder. Section 3.9 of the Master Resolution requires the prior written consent of the CIB before the Authority may issue any Additional Bonds.

ARTICLE XII

CONVEYANCE OF THE PROJECT

Section 12.1 Conveyance of the Project

. The Authority's right and interest in and to the Project shall be transferred, conveyed and assigned by the Authority to the City:

(a) Upon payment by the City of the then applicable Purchase Option Price and upon giving not less than thirty (30) days prior written notice to the Authority; or

(b) Upon payment by the City of all Base Rentals and Additional Rentals required to be paid under this Lease during the Original Term and each of the Renewal Terms; or

(c) Upon the discharge of the lien of the Master Resolution under Article IX thereof.

The Authority agrees to execute such documents and instruments as shall be necessary to effect a release of the security interest granted by said Master Resolution or the Security Documents upon the payment in full of the Bonds.

Section 12.2 Conveyance on Purchase of Project

. At the closing of any purchase of the Project pursuant to the option to purchase granted in this Lease, the Authority shall, upon receipt of the Purchase Option Price, or upon the payment by the City of all Base Rentals and Additional Rentals required, or upon discharge of the lien of the Master Resolution as the case may be, deliver to the City the following:

(a) If necessary, a release by the Authority of the lien under the Master Resolution and Security Documents, together with any other instrument necessary or appropriate to release any security interest granted by this Lease with respect to such Project, the Master Resolution and Security Documents.

(b) All necessary documents conveying to the City good and marketable title to the Project as it then exists subject to the following: those liens and encumbrances created by the City or to the creation or suffering of which the City consented; those liens and encumbrances resulting from the failure of the City to perform or observe any of the agreements on its part contained in this Lease; and Permitted Encumbrances, other than the Master Resolution, this Lease, the Ground Lease, the Security Documents and any financing statements filed by the Authority pursuant to this Lease with respect to the Project or the Master Resolution.

Section 12.3 Relative Position of Option and Master Resolution

. The purchase option granted to the City in this Article XII with respect to the Project shall be and remain prior and superior to the Master Resolution and the Security Documents and may be exercised whether or not an Event of Nonappropriation or an Event of Default shall have occurred and be continuing hereunder or under the Master Resolution and the Security Documents; provided, however, that such option must be exercised before the later of ninety (90) days after notification in writing by the Authority to the City of the occurrence of an Event of Default under the Master Resolution, the Lease or the Security Documents or the ultimate disposition of the Project upon exercise of any available foreclosure remedy, and further provided that, as a condition of the exercise of such option, the City must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Nonappropriation.

ARTICLE XIII

ASSIGNMENT, SUBLEASING INDEMNIFICATION AND SELLING

Section 13.1 The Authority to Grant Security Interest to Bondholder

. The parties hereto agree that pursuant to the Master Resolution and the Security Documents, the Authority shall and does hereby pledge and assign to the Bondholders all of the Authority's right, title and interest in this Lease, except the Authority's rights to compensation from the City for expenses of the Authority under Section 6.3(d) of this Lease, the Authority's rights to indemnification from the City under Section 13.3 of this Lease and the obligation of the City to pay any attorneys' fees and expenses incurred by the Authority under Section 14.5 of this Lease.

Section 13.2 Assignment and Subleasing by the City

. This Lease may not be assigned by the City for any reason. The City may enter into subleases of all or portions of the Project without the necessity of obtaining the consent of the Authority or any Bondholder; subject, however, to each of the following conditions:

(a) the Project may only be subleased to another public body, the state of Utah, a nonprofit corporation, if the nonprofit corporation was formerly a public body, and a private party if the Authority intends to own the project throughout the useful life of the Project and the Authority determines that such ownership of the Project furthers a legitimate public interest;

(b) this Lease and the obligations of the City to make payment of Base Rentals and Additional Rentals hereunder shall at all times during the Lease Term remain obligations of the City notwithstanding any sublease;

(c) the City shall, prior to the execution of a sublease, furnish or cause to be furnished to the Authority a true and complete copy of each sublease;

(d) no sublease shall cause the Project, in whole or in part, to be used for a purpose other than a governmental or proprietary public function authorized under the provisions of the Constitution and laws of the State, or for a purpose which would adversely affect the exemption from federal income taxation of any interest on the Bonds; and

(e) any such sublease shall be expressly subordinate to the rights of the Authority and the Bondholders under the Master Resolution, this Lease, the Ground Lease and the Security Documents.

After an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under the Lease, the Master Resolution or the Security Documents, the Authority may collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees.

The Authority shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Lease, the applicable Master Resolution or the applicable Security Documents with respect to the Project, to collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees, and apply the net amount collected to the Base Rentals and Additional Rentals required herein with respect to the Project, but no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

Section 13.3 Release and Indemnification Covenants

. To the extent of the Net Proceeds of the insurance coverage of the City and contractor's performance and payment bonds for the Project required hereunder, the City shall and hereby agrees to indemnify and save the Authority harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project during the Lease Term from: any condition of the Project; and any act or negligence of the City or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. The City shall indemnify and save the Authority harmless, from and to the extent of available moneys as set forth above, from any such claim arising as aforesaid from (a) or (b) above, or in connection with any action or proceeding brought thereon and, upon notice from the Authority, shall defend them or either of them in any action or proceeding.

In exchange for the City's agreement to indemnify the Authority as provided in this Section 13.3, the Authority hereby agrees to assert any cause of action that it might have against any third parties for the benefit of the City. Furthermore, in no event will the Authority voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Project without the written consent of the City Representative.

Section 13.4 References to Bonds Ineffective After Bonds Paid

. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and all fees and charges of Authority, all references in this Lease to said Bonds shall be ineffective and the Bondholders shall thereafter have no rights hereunder, saving and excepting those that shall have theretofore vested.

Section 13.5 Installation of the Furnishings and Machinery of the City

. The City may from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Project. All such machinery, equipment and other tangible property, except any machinery, equipment and other tangible property substituted for machinery, equipment and tangible property purchased with proceeds of the Bonds as provided in Section 13.6, shall remain the sole property of the City, in which the Authority shall have no interest and may be removed by the City at any time; provided, however, that the City shall be obligated to repair any damage to the Project, at its own cost and expense, resulting from any such removal.

Section 13.6 Equipment Purchased with Proceeds of the Bonds

. Any item of equipment shall be labeled, to the extent practicable, to indicate that it is owned by the Authority, subject to the Master Resolution, the Security Documents and this Lease. Equipment of the Project financed with proceeds of the Bonds may not be relocated by the City from the Project. Any item of such equipment which shall be determined by the City to be no longer usable in connection with the Project may be sold by the City after written notice to the Authority and upon substitution of equipment of comparable or greater value or deposit of the proceeds thereof in the Bond Fund. Upon any such sale, the equipment so sold shall be released from the Master Resolution, this Lease, the Security Documents and the security interest created thereunder and hereunder.

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.1 Events of Default Defined

. Any one of the following shall be an "Event of Default" under this Lease:

(a) Failure by the City to pay any Base Rentals or Additional Rentals required to be paid under Sections 6.2 or 6.3 of this Lease at the time specified therein, in the absence of an Event of Nonappropriation, for a period of five (5) days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Authority or, in any event, a failure by the City to make such payments within fifteen (15) days after the date on which they are due; or

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(c) The City shall abandon any material portion of the Project; or

(d) The City's interest in this Lease or any part thereof with respect to the Project shall be assigned or transferred without the written consent of the Authority, either voluntarily or by operation of law, except as permitted hereunder; or

(e) The City shall file any petition or institute any proceedings wherein or whereby the City seeks to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the City's creditors to effect a composition or extension of time to pay the City's debts, or seeks a reorganization or a readjustment of the City's debts, or for any other similar release, or any such petition or any such proceedings of the same or similar kind or character shall be filed, or instituted or taken against the City and the same shall not have been dismissed or otherwise resolved in favor of the City within sixty (60) days from the filing or institution thereof.

The foregoing provisions of this Section 14.1 are subject to the following limitations: the obligations of the City to make payments of the Base Rentals and Additional Rentals as provided in Sections 6.2 or 6.3 of this Lease shall be subject to the

occurrence of an Event of Nonappropriation; and if, by reason of Force Majeure, the City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the City contained in Article VI hereof, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its agreement; provided, however, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the City, unfavorable to the City.

Section 14.2 Remedies on Default

. Whenever any Event of Default referred to in Section 14.1 of this Lease shall have happened and be continuing, the Authority shall have the right, at its option or at the direction of the Bondholders as provided in the Master Resolution without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Immediately reenter and take possession of the Project; or
- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Project.

The obligation of the City to vacate the Project as provided in Section 6.6 of this Lease shall also apply to an Event of Default. Any amounts collected pursuant to action taken under this Section 14.2 shall be paid into the Bond Fund and applied in accordance with the provisions of the Master Resolution.

Section 14.3 Limitations on Remedies

. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Nonappropriation under this Lease. In the event the security interest created under the Master Resolution, this Lease the Ground Lease or the Security Documents shall be foreclosed subsequent to the occurrence of an Event of Default or an Event of Nonappropriation, no deficiency judgment may be entered against the City or the Authority.

Section 14.4 No Remedy Exclusive

. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 14.5 Agreement to Pay Attorneys' Fees and Expenses

. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals and Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the City under this Section 14.5 shall be subject to the availability of City Funds.

Section 14.6 No Additional Waiver Implied by One Waiver

. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XV

MISCELLANEOUS

Section 15.1 Lease Term

. This Lease shall remain in effect from the date hereof until the termination of the Lease Term as provided in Section 4.2 of this Lease.

Section 15.2 Notices

. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, Local Building Authority of Parowan City, Utah, 5 South Main Street, P.O. Box 576, Parowan, Utah 84761, Attention: Chair; if to the City, Parowan City, P.O. Box 576, Parowan, Utah 84761, Attention: Mayor; and if to the Bondholders, to their address as shown on the registration list kept by the Authority. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the City shall also be given to the Bondholders. The Authority, the City, and the Bondholders may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.3 Binding Effect

. This Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained in Sections 2.1(a), 2.2(b), 2.2(f) and 13.2 of this Lease.

Section 15.4 Severability

. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and in the event any provision of this Lease were to invalidate the Bonds, such provision shall be rendered invalid and unenforceable, but shall not invalidate or render unenforceable any other provision hereof.

Section 15.5 Amounts Remaining in Bond Fund and Reserve Fund; Dissolution

. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or Reserve Fund upon expiration or sooner termination of the Lease Term, as provided in this Lease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and the fees and expenses of Authority and any paying agents in accordance with the Master Resolution, shall belong to and be paid to the City by the Authority as an overpayment of Base Rentals and Additional Rentals. Upon dissolution of the Authority, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and payment in full of other obligations of the Authority, any assets and net earnings of the Authority shall be paid to the City in accordance with the Utah Local Building Authority Act.

Section 15.6 Amendments, Changes and Modifications

. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Master Resolution), and except as otherwise herein expressly provided, this Lease may not be effectively amended, changed, modified, altered or terminated except as provided in Article XII of the Master Resolution.

Section 15.7 Execution in Counterparts

. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.8 Net Lease

. This Lease shall be deemed and construed to be a "net lease," and the City shall pay absolutely net during the Lease Term the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

Section 15.9 Applicable Law

. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 15.10 Captions

. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 15.11 No Personal Liability

. No person executing this Lease or any of the Bonds, the Ground Lease, the Master Resolution or the Security Documents shall be subject to personal liability or accountability by reason of such action or the issuance of the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Lease to be executed in its corporate name with its corporate seal hereunto affixed and attested by a duly authorized officer. The City has executed this Lease in its name with the seal of its City Recorder hereunto affixed and attested by a duly authorized officer. All of the above occurred as of the date first above written.

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH

By: _____
Chair

ATTEST:

By: _____
Secretary

(L B A S E A L)

PAROWAN CITY, UTAH

By: _____
Mayor

ATTEST:

By: _____
City Recorder

(C I T Y S E A L)

STATE OF UTAH)
 :ss.
COUNTY OF IRON)

In the County of Iron, State of Utah, on this ____ day of _____, 2015, before me, the undersigned notary, personally appeared Donald Landes and Callie Bassett, the Chair and the Secretary, respectively, of the Local Building Authority of Parowan City, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

STATE OF UTAH)
 :ss.
COUNTY OF IRON)

In the County of Iron, State of Utah, on this ____ day of _____, 2015, before me, the undersigned notary, personally appeared Donald Landes and Callie Bassett, the Mayor and City Recorder, respectively, of Parowan City, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

EXHIBIT A

DESCRIPTION OF THE PROJECT
AND THE PROJECT SITE

(1) Description of Project:

The acquisition and construction of a City administrative building/public safety facility and related improvements located in the City, and the acquisition of a leasehold interest in the Project Site by the Local Building Authority of Parowan City, Utah, as lessee, from Parowan City, Utah, as lessor, pursuant to the terms of a Ground Lease.

(2) Description of Project Site:

Real property located in Iron County, Utah, to-wit:

EXHIBIT B

BASE RENTAL LEASE PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Base Rentals</u>	<u>Additional Rental Payment for Deposit in Reserve Fund</u>	<u>Total Payment</u>
September 15, 2016	\$40,580	\$6,970	\$47,550
September 15, 2017	40,190	6,970	47,160
September 15, 2018	40,800	6,970	47,770
September 15, 2019	40,395	6,970	47,365
September 15, 2020	39,990	6,970	46,960
September 15, 2021	40,585	6,970	47,555
September 15, 2022	40,165	-0-	40,165
September 15, 2023	40,745	-0-	40,745
September 15, 2024	40,310	-0-	40,310
September 15, 2025	40,875	-0-	40,875
September 15, 2026	40,425	-0-	40,425
September 15, 2027	39,975	-0-	39,975
September 15, 2028	40,525	-0-	40,525
September 15, 2029	40,060	-0-	40,060
September 15, 2030	40,595	-0-	40,595
September 15, 2031	40,115	-0-	40,115
September 15, 2032	40,635	-0-	40,635
September 15, 2033	40,140	-0-	40,140
September 15, 2034	40,645	-0-	40,645
September 15, 2035	40,135	-0-	40,135
September 15, 2036	40,625	-0-	40,625
September 15, 2037	40,100	-0-	40,100
September 15, 2038	40,575	-0-	40,575
September 15, 2039	40,035	-0-	40,035
September 15, 2040	40,495	-0-	40,495
September 15, 2041	40,940	-0-	40,940
September 15, 2042	40,370	-0-	40,370
September 15, 2043	41,800	-0-	41,800
September 15, 2044	41,200	-0-	41,200
September 15, 2045	40,600	-0-	40,600

WHEN RECORDED, RETURN TO:
Eric Todd Johnson, Esq.
Blaisdell, Church & Johnson, LLC
5995 South Redwood Road
Salt Lake City, Utah 84123

LEASEHOLD DEED OF TRUST,
ASSIGNMENT OF RENTS
AND
SECURITY AGREEMENT

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Deed of Trust") is made as of _____ 1, 2015, by and among the Local Building Authority of Parowan City, Utah, a nonprofit corporation duly organized under the laws of the State of Utah ("Trustor") whose address for purposes of this agreement is 5 South Main Street, Parowan, Utah 84761; and Security Escrow & Title Insurance Agency, LLC ("Trustee"), whose place of business is 337 South Main, Suite 110, Cedar City, Utah 84720, and the State of Utah Permanent Community Impact Fund Board or any successor thereof, as Bondholder (the "Beneficiary") under a Master Resolution (the "Master Resolution") dated as of _____ 1, 2015, in connection with the issuance of the \$972,000 Local Building Authority of Parowan City, Utah, Lease Revenue Bonds, Series 2015 (the "Series 2015 Bonds").

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably warrants, grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, under and subject to the terms and conditions hereinafter set forth, that leasehold estate created by and all right, title and interest of the Trustor, as lessee, under that certain Ground Lease Agreement (the "Ground Lease"), dated as of _____ 1, 2015 by and between Parowan City, Utah, (the "City"), as lessor, and Trustor, as lessee, which Ground Lease demise and lease all that property situated in Iron County, Utah described in Exhibit A attached hereto (the "Property") together with all of Trustor's right, title and interest in and to all the improvements on said Property and appurtenances. The interests of Trustor in the Property as described in the attached Exhibit A and all of the improvements and appurtenances relating thereto are collectively referred to hereinafter as the "Property";

TOGETHER WITH all rents, issues, profits, privileges, licenses, royalties, income and other benefits derived from the Property (collectively the "rents"), subject to the right, power and authority hereinafter given to Trustor to collect and apply such rents;

TOGETHER WITH all right, title and interest of Trustor in and to all leases or subleases, if any, covering the Property or any portion thereof now or hereafter existing

or entered into, including the Lease herein described, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits and payments of similar nature;

TOGETHER WITH all right, title and interest of Trustor in and to all options to purchase or lease the Property or any portion thereof or interest thereon, and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH all interests, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property;

TOGETHER WITH all right, title and interest of Trustor in and to all easements, rights-of-way and rights used in connection with or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property;

TOGETHER WITH all right, title and interest of Trustor in and to any and all buildings and improvements now or hereafter erected on the Property, including, but not limited to, the fixtures, fittings, and other articles attached to said buildings except any personal property or fixtures of any tenant; and

TOGETHER WITH all the estate, interest, right, title and other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereof, which Trustor now has or may hereafter acquire in the Property, and any and all awards made for the taking from the Trustor by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Property, including without limitation any awards resulting from a change of grade of streets and awards for severance damages; and

TOGETHER WITH all right, title and interest of Trustor in and to all tangible personal property financed or refinanced with proceeds of the Series 2015 Bonds (the "Personal Property") owned by Trustor and now or at any time hereafter located on or at the Property or used in connection therewith.

The entire estate, property and interest hereby conveyed to Trustee as described above may hereafter be referred to as the "Trust Estate." Notwithstanding the breadth of the foregoing, the property covered by this Deed of Trust shall not include: personal property which may be owned by lessees or other occupants of the improvements of any portion of the Property, rather than by Trustor, or which may be leased by such lessees or other occupants from a party other than Trustor; or material, equipment, tools, machinery or other personal property which has been brought upon the Property only for use in construction, maintenance or repair and which is not intended to remain after the completion of such construction, maintenance or repair, and which is not necessary for occupancy, maintenance or use of the Property, provided, however, that this provision

shall not limit Trustor's right to assert a landlord's lien against a defaulting tenant.

FOR THE PURPOSES OF SECURING:

(a) Payment of the principal, interest, if any, and premium, if any, of the Bonds of Trustor, issued pursuant to the Master Resolution (all terms herein commencing with initial capital letters and not otherwise defined herein shall have meanings as defined in the Master Resolution), and payable at the times, in the manner and with interest and premium, if any, as therein set forth, and any extensions and/or renewals or modifications thereof issued pursuant to the Master Resolution, payment of the principal, interest, if any, and premium, if any, on any Additional Bonds or Refunding Bonds issued pursuant to the Master Resolution and payable at the times, in the manner and with interest and premium as therein set forth, and any extensions and/or renewals or modifications thereof (the Series 2015 Bonds and Additional Bonds and Refunding Bonds are collectively referred to herein as the "Bonds"); the performance of each agreement of Trustor contained in the Bonds, the Master Resolution, the Lease (as defined in the Master Resolution) with respect to the Project (as defined in the Master Resolution) and this Deed of Trust and any other instrument securing payment of the Bonds; and the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms of this Deed of Trust (including, but not limited to the payments outlined in Sections 1.11 and 1.18 of this Deed of Trust), any other instrument securing payment of the Bonds, the Master Resolution or the Lease, together with interest thereon as provided in the Master Resolution.

(b) Performance of all obligations of Trustor under the Master Resolution and each agreement of Trustor incorporated by reference therein or herein, or contained therein or herein.

(c) Payment of all sums advanced by Beneficiary to protect the Trust Estate, with interest as provided in the Master Resolution and herein.

(d) Performance of all obligations of Trustor contained in this Deed of Trust, the Bonds, the Ground Lease, the Master Resolution and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby.

(e) Payment of all other sums, with interest thereon, which may hereafter be loaned to Trustor or its successors or assigns, by Beneficiary, when evidenced by a debt instrument reciting that they are secured by this Deed of Trust.

This Deed of Trust, the Bonds, the Master Resolution, the Ground Lease, the Lease and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to as the "Loan Instruments."

TO PROTECT THE SECURITY OF THE LOAN INSTRUMENTS TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I

COVENANTS AND AGREEMENTS OF TRUSTOR

1.2 Payment of Secured Obligations. Trustor hereby covenants and agrees to pay when due the principal of, premium, if any, and the interest, if any, on, the indebtedness evidenced by the Bonds (as set forth therein), all charges, fees and all other sums as provided in the Loan Instruments, and the principal of, and interest, if any on, any future advances secured by this Deed of Trust.

1.3 Maintenance, Repair, Alterations. Trustor hereby covenants and agrees to keep the Trust Estate or cause the Trust Estate to be kept in good condition and repair; not to remove, demolish or materially alter (except such alterations as may be required by laws, ordinances or regulations) any buildings or fixtures constituting part of the Improvements in such a manner as to in any way damage the Improvements or in any way reduce the fair rental value of the Improvements to less than the fair rental value of the Improvements immediately prior to such alteration; to complete promptly and in good and workmanlike manner any improvement which may be constructed on the Property and, to the extent provided in the Master Resolution and in the Lease, promptly restore in like manner any Improvements which may be damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Trust Estate or any part thereof or requiring any alterations or improvements; not to commit or permit any waste or deterioration of the Trust Estate, to keep and maintain or cause to be kept and maintained, grounds, sidewalks, roads, parking and landscaped areas in good and neat order and repair; not to commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this Section, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

1.4 Required Insurance. Trustor hereby covenants and agrees to at all times provide, maintain and keep in force or cause to be kept in force such insurance as is set forth in Article IX of the Lease with respect to the Improvements.

1.5 Payment of Premiums. In the event Trustor fails to provide, maintain, keep in force or deliver and furnish to Beneficiary policies of insurance required by Article IX of the Lease, Beneficiary, in addition to all other rights it may have hereunder, including, without limitation, those set forth in Article III hereof, may, but shall not be required to, procure such insurance or single interest insurance for such risks covering Beneficiary's interest, and Trustor will pay, or cause to be paid, all premiums thereon promptly upon demand by Beneficiary, and until such payment is made by Trustor therefor the amount of all such premiums which have been paid by Beneficiary shall bear interest at a rate per annum provided in Article IX of the Lease. Trustor shall, upon Beneficiary's reasonable request, deposit, or cause to be deposited, with Beneficiary in monthly installments, an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust. Trustor

further agrees, upon Beneficiary's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and provided Trustor has deposited sufficient funds with Beneficiary pursuant to this Section 1.4, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary shall notify Trustor and Trustor shall immediately deposit, or cause to be deposited, an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 1.4. Beneficiary may commingle said reserve with its own funds and Trustor shall be entitled to no interest thereon.

1.6 Insurance Proceeds. After the happening of any casualty to the Trust Estate or any part thereof, Trustor shall give prompt written notice thereof to Beneficiary.

(a) In the event of any damage or destruction of the Improvements, Trustor shall apply the insurance proceeds in the manner set forth in Article X of the Lease.

(b) In the event of such loss or damage, all proceeds of insurance shall be payable pursuant to subparagraph (a) above. Except as otherwise provided in the Lease, Trustor may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance only with written approval of Beneficiary.

(c) Except to the extent that insurance proceeds are received by Trustor and applied to the indebtedness secured hereby, pursuant to the Master Resolution and the Lease, nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Trust Estate as provided in Section 1.2 hereof or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

1.7 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Trustor in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of and pass to the successor in interest to Trustor or the purchaser or grantee of the Trust Estate.

1.8 Indemnification; Subrogation; Waiver of Offset.

(a) If Beneficiary is made a party defendant to any litigation, commenced by anyone other than Trustor, concerning this Deed of Trust or the Trust Estate or any part thereof or interest therein, or the occupancy thereof by Trustor, except in case of fraud, gross negligence or willful misconduct on the part of Beneficiary, then Trustor shall, to the extent permitted by law, indemnify, defend and hold Beneficiary harmless from and against all liability by reason of said litigation (including any appeals), including reasonable attorneys' fees and expenses incurred by Beneficiary in any such litigation, whether or not any such litigation is prosecuted to judgment. If Beneficiary commences an action against Trustor to enforce any of the terms hereof or because of the breach by Trustor of any of the terms hereof, or for the recovery of any sum secured hereby, Trustor shall pay to Beneficiary reasonable attorneys' fees and expenses actually incurred (including Beneficiary's attorney's fees and costs associated with all appeals), and the right to such attorney's fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Trustor breaches any term of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect its rights hereunder, and in the event of such employment following any breach by Trustor, Trustor shall pay Beneficiary reasonable attorney's fees and expenses incurred by Beneficiary (including those associated with any appeal), whether or not an action is actually commenced against Trustor by reason of breach.

(b) Trustor waives any and all right to claim or recover against Beneficiary, its officers, employees, agents and representatives, for loss or damage to Trustor, the Trust Estate, Trustor's property or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust, unless covered by the fraud, gross negligence or willful misconduct of the Beneficiary.

(c) All sums payable by Trustor hereunder shall be paid without notice, demand, counterclaim, setoff, recoupment, deduction or defense (except payment) and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; any title defect or encumbrance or any eviction from the Property or any part thereof by title paramount or otherwise; or any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; whether or not Trustor shall have notice or knowledge of any of the foregoing.

1.9 Taxes and Impositions.

(a) Trustor agrees to pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-governmental levies or assessments such as maintenance charges, association dues or charges or fees, and levies or charges resulting from covenants, conditions and restrictions affecting the Trust Estate, which are assessed or imposed upon the Trust Estate or become due and payable, and which create or may create a lien upon the Trust Estate, or any part thereof, or upon any equipment or other facility used by Trustor in the operation or maintenance thereof (all of which taxes, assessments and other governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Trustor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If any time after the date hereof there shall be assessed or imposed a tax or assessment on the Trust Estate in lieu of or in addition to the Impositions payable by Trustor pursuant to subparagraph (a) hereof, or a license fee, tax or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments, or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions. Anything to the contrary notwithstanding, Trustor shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Beneficiary or on the obligations secured hereby.

(c) Trustor covenants to furnish Beneficiary within thirty (30) days after the date upon which any such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority or other proof satisfactory to Beneficiary, evidencing the payment thereof.

(d) Trustor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Trust Estate as a single lien.

(e) If requested by Beneficiary, Trustor shall cause to be furnished to Beneficiary a tax reporting service covering the Trust Estate of the type, duration and with a company satisfactory to Beneficiary.

(f) Trustor has the right to contest Impositions to the extent permitted by Section 9.3 of the Lease.

1.10 Utilities. Trustor hereby covenants and agrees to pay when due all utility charges which are incurred by Trustor for the benefit of the Trust Estate or which may

become a charge or lien against the Trust Estate for gas, electricity, water or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

1.11 Actions Affecting Trust Estate. Trustor hereby covenants and agrees to appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

1.12 Actions by Trustee and/or Beneficiary to Preserve Trust Estate. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do but without releasing Trustor from any obligations, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers), Beneficiary and/or Trustee shall have and are hereby given the right, but not the obligation to enter upon and take possession of the Trust Estate; to make additions, alterations, repairs and improvements to the Trust Estate which they or either of them may consider necessary or proper to keep the Trust Estate in good condition and repair; to appear and participate in any action or proceeding affecting or which may affect or appears to affect the security of this Deed of Trust (including condemnation or eminent domain proceedings) or which may result in the creation of any lien (except the lien created by the Master Resolution) against the Trust Estate; and in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and attorney's fees, together with interest thereon accruing at the rate set forth in the Master Resolution.

1.13 Survival of Warranties. Subject to the limitations set forth in Section 5.9 herein, Trustor hereby covenants and agrees to fully and faithfully satisfy and perform the obligations of Trustor contained in the Loan Instruments and each agreement of Trustor incorporated by reference therein or herein, and any modification or amendment thereof. All representations, warranties and covenants of Trustor contained therein or incorporated by reference shall survive funding of the loan evidenced by the Bonds and shall remain continuing obligations, warranties and representations of Trustor during any time when any portion of the obligations secured by this Deed of Trust remain outstanding.

1.14 Eminent Domain. Should the Trust Estate, or any material part thereof or interest therein, be taken from Trustor or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary and all proceeds payable therefrom

shall be utilized in the manner set forth in Article X of the Lease.

1.15 Additional Security. In the event Beneficiary at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder.

1.16 Appointment of Successor Trustee. Beneficiary may, from time to time, by complying with the provisions of the applicable law of the State of Utah substitute a successor or successors to the Trustee named herein or acting hereunder.

1.17 Successors and Assigns. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall be deemed to include the Registered Owners of the Bonds and any trustee therefor, whether or not named as Beneficiary herein.

1.18 Inspections. Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the Trust Estate and performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

1.19 Liens. Trustor hereby covenants and agrees to pay and promptly discharge in accordance with the terms thereof or of the indebtedness secured thereby, at Trustor's cost and expense, all liens, encumbrances and charges upon the Trust Estate, or any part thereof or interest therein; provided that the existence of any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right thereto shall not constitute a violation of this Section if payment is not yet due under the contract which is the foundation thereof and if such contract does not postpone payment for more than 60 days after the performance thereof. Trustor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge. In the event of any such contest, the Trustor may permit the lien, encumbrance or charge so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee or Beneficiary shall notify the Trustor that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the Master Resolution and the Lease or this Deed of Trust will be materially endangered or the Trust Estate or any portion thereof will be subject to loss or forfeiture, in which event such lien, encumbrance or charge shall be paid forthwith. Prior to commencing such contest, Trustor shall first deposit, or cause to be deposited, with Beneficiary, or in court, a bond or other security satisfactory to Beneficiary, at Beneficiary's election, in such amounts as Beneficiary shall reasonably require, but not more than one hundred ten percent (110%) of the amount of the claim, and provided further that Trustor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If Trustor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but shall not be obligated to, discharge or purchase the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond or the amount claimed or otherwise

giving security for such claim, or in such manner as is or may be prescribed by law.

1.20 Trustee's Powers. At any time, or from time to time, without liability therefor, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of Trust upon the remainder of said Trust Estate, Trustee may, reconvey any part of said Trust Estate; consent in writing to the making of any map or plat thereof; or join in granting any easement or creating any restriction affecting this Deed of Trust or any agreement subordinating the lien or charge hereof.

1.21 Beneficiary's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice release any person so liable, extend the maturity or alter any of the terms of any such obligation, grant other indulgences, release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, take or release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto. Trustor hereby consents to the foregoing powers and rights of Beneficiary, and, to the extent permitted by law, waives any right to assert that such actions by the Beneficiary shall constitute a breach by the Beneficiary under this Deed of Trust, under any of the Loan Instruments or under applicable law.

ARTICLE II

ASSIGNMENT OF RENTS, ISSUES AND PROFITS

2.1 Assignment of Rents. Trustor hereby assigns and transfers to Beneficiary all the rents, issues and profits of the Trust Estate, and hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues and profits. Trustor irrevocably appoints Beneficiary its true and lawful attorney-in-fact, at the option of Beneficiary at any time and from time to time, to demand, receive and enforce payment, to endorse instruments payable to Trustor, and to give receipts, releases and satisfactions for all such rents, issues and profits and apply the same to the indebtedness secured hereby. The assignment of the rents, issues and profits of the Trust Estate in this Article II is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest.

2.2 Collection Upon Default. Upon any event of default under any of the Loan Instruments, and after the passage of any applicable grace period, Beneficiary may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Trust Estate, or any part thereof, and in its own name sue for or otherwise collect such rents, issues and profits of the Trust Estate, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The collection of rents, issues and profits, or the entering upon and taking possession of the Trust Estate, or the application thereof as aforesaid, shall not cure or waive any default, notice of default, or notice of sale hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Failure or discontinuance by Beneficiary at any time or from time to time to collect any such rents, issues or profits shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same.

ARTICLE III

SECURITY AGREEMENT

3.1 Creation of Security Interest. Trustor hereby grants to Beneficiary a security interest in the Personal Property for the purpose of securing all obligations of Trustor contained in any of the Loan Instruments or herein. This Deed of Trust shall be deemed the Security Agreement as defined in the Uniform Commercial Code of Utah and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein, or as provided by general law, or as to such part of the security which is also reflected in any financing statement or statements (the "Financing Statement") as provided by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code of Utah, all at Beneficiary's sole election. The mention in any such Financing Statement of the rights in or the proceeds of any fire and/or hazard insurance, any award in eminent domain proceedings for a taking or for loss of value, or the Trustor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the premises shall never be construed as in any wise altering any of the rights of Beneficiary as determined by this Deed of Trust or impugning the priority of the Beneficiary's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Beneficiary in the event any court or judge shall at any time with respect to (1), (2) or (3) rule that notice of Beneficiary's priority of interest to be effective against a particular class of persons, divisions or entity of the Federal Government, must be filed in the Uniform Commercial Code records.

3.2 Warranties, Representations and Covenants of Trustor. Trustor hereby warrants, represents and covenants as follows:

Trustor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for the Permitted Encumbrances defined in the Lease and except for the security interest granted hereby. Trustor will notify Beneficiary of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

Trustor will not sell the Personal Property without the prior written consent of Beneficiary unless said personal property is promptly replaced by personal property of like quality and value.

The Personal Property is not used or bought for personal, family or household purposes.

The Personal Property (with the exception of funds held by Beneficiary) will be kept on or at the Property and, except as otherwise provided in the Lease, Trustor will not remove the Personal Property from the Property without the prior written consent of Beneficiary, except such portions or items of Personal Property which are consumed or

worn out in ordinary usage, all of which shall be promptly replaced by Trustor.

Trustor maintains a place of business in the State of Utah and Trustor will immediately notify Beneficiary in writing of any change in its place of business as set forth in the beginning of this Deed of Trust.

At the request of Beneficiary, Trustor will join Beneficiary in executing one or more financing statements, continuation statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of Utah in form satisfactory to Beneficiary, and will pay the cost of filing the same in all public offices wherever filing is deemed by Beneficiary to be necessary or desirable.

All covenants and obligations of Trustor contained herein relating to the Trust Estate shall be deemed to apply to the Personal Property whether or not expressly referred to herein.

ARTICLE IV

REMEDIES UPON DEFAULT

4.1 Events of Default. Any of the following events shall be deemed an event of default hereunder.

(a) Default shall be made in the payment of any installment of principal or interest, if any, or any other sum secured hereby; or

(b) There shall occur an Event of Default set forth in Section 10.1 of the Master Resolution, or 14.1 of the Lease or any other default under any of the Loan Instruments, including but not limited to any breach in the due observance or performance of any covenant, condition or agreement contained therein.

4.2 Acceleration Upon Default, Additional Remedies. Time is of the essence hereof. In the event of any event of default hereunder, Beneficiary may declare all indebtedness secured hereby to be due and payable by written notice to the Trustor as outlined in Section 10.3 of the Master Resolution and the same shall thereupon become due and payable without presentment, demand, protest or notice of any kind. Thereafter Beneficiary may exercise any or all of the following remedies, or any other remedies which Beneficiary is entitled to under any of the Loan Instruments or applicable law:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or a part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee and/or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; and/or

(c) Cause Trustor's interest in the Trust Estate to be sold by the Trustee under the power of sale set forth herein.

4.3 Foreclosure by Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and such receipts and evidence of expenditures made and secured hereby as Trustee may require; provided, however, that the Trustee shall also notify the County of Iron, Utah (the "County") of the Event of Default and of the right of the County to a 90-day notice of the respective options to purchase the Project as more fully outlined in Section 10.2 of the Master Resolution.

(a) Upon receipt of such notice from Beneficiary, Trustee shall exercise on behalf of Beneficiary the power of sale granted herein by complying with all requirements of applicable law. Trustee shall execute and deliver to the purchaser or purchasers of the Trust Estate its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers from claims arising by, through or under Trustor.

(b) After deducting all costs, fees and expenses of Trustee and of this trust, including, but not limited to, attorney fees and costs, and costs of evidence of title in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest per annum as set forth in the Master Resolution; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County clerk of the County in which the sale took place.

(c) The person conducting the sale may, for any cause such person deems expedient, postpone the sale in accordance with Utah law and, in every case, notice of such postponement shall be given by public declaration by such person at the time and place last appointed for the sale.

4.4 Foreclosure as Mortgage. Should Beneficiary elect to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property, Beneficiary shall be entitled to recover in such proceeding all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court, including all appeals. To the extent permitted by law, Beneficiary shall be entitled to possession of the Property during any redemption period allowed under the laws of the State of Utah.

4.5 Appointment of Receiver. If any event of default described in Section 4.1 of this Deed of Trust shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard

to the then value of the Trust Estate or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all powers and duties of Beneficiary in case of entry as provided in Section 4.2(a) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Trust Estate unless such receivership is sooner terminated. Beneficiary's rights under this Section shall be in addition to, and not a limitation of, Beneficiary's rights under Section 2.2 and 4.2(a) of this Deed of Trust.

4.6 Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust, under any Loan Instrument or other agreement, and under any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies.

4.7 Request for Notice. Trustor hereby requests a copy of any Notice of Default or Notice of Sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

ARTICLE V

MISCELLANEOUS

5.1 Governing Law; Severability of Provisions of Loan Instruments; Waivers, etc. This Deed of Trust shall be governed by the laws of the State of Utah. In the event that any provision of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the parties against whom enforcement of any waiver, change, discharge or termination is sought.

5.2 Limitation of Interest. It is the intent of Trustor and Beneficiary in the execution of this Deed of Trust and the Bonds and all other instruments securing the Bonds to contract in strict compliance with the laws of the State of Utah governing the loan evidenced by the Bonds. In furtherance thereof, Trustor stipulates and agrees that none of the terms and provisions contained in the Loan Instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Utah governing the loan evidenced by the Bonds. Trustor or any guarantor, endorser or other party now or hereafter becoming liable for the payment of the Bonds shall never be liable for unearned interest on the Bonds and shall never be required to pay interest on the Bonds at a rate in excess of the maximum interest that may be lawfully charged under the laws of the State of Utah and the provisions of this Section shall control over all other provisions of the Bonds and any other instrument executed in connection herewith which may be in apparent conflict herewith. In the event any holder of the Bonds shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on the Bonds to a rate in excess of that permitted to be charged by the laws of the State of Utah, all such sums deemed to constitute interest in excess of the legal rate shall be immediately returned to the Trustor upon such determination.

5.3 Statements by Trustor. Trustor, within ten (10) days after receiving a request from the Beneficiary, will furnish to Beneficiary a written statement stating the unpaid principal and any interest on the Bonds and any other amounts secured by this Deed of Trust and stating whether any offset or defense exists against such principal and interest.

5.4 Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

5.5 Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or four (4) days after being mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

5.6 Acceptance by Trustee. Trustee shall be deemed to have accepted this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

5.7 Captions. The captions or headings at the beginning of each Section hereof are for convenience of the parties and are not a part of this Deed of Trust.

5.8 No Merger. If both the Trustor's and Beneficiary's estates in any portion of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger, and in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and created by Trustor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.9 Limited Right of Bondholders Against the Trustor. Notwithstanding anything else contained herein to the contrary, the rights of the Trustee, Beneficiary and the Bondholders are subject to the terms and provisions of the Master Resolution and the Lease, in particular but not limited to Article XIV of the Lease and Article X of the Master Resolution. Additionally, no deficiency judgment upon foreclosure may be entered against Trustor, the City, the State of Utah or any of its political subdivisions.

5.10 No Waiver. Failure on the part of beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default or acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver of any other subsequent default.

5.11 Severability. The terms and provisions of this Deed of Trust are intended to be performed in accordance with, and only to the extent permitted by, applicable law. If any provision hereof, or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this instrument nor the application of such provision to other persons or circumstances shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted

by law.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

LOCAL BUILDING AUTHORITY OF
PAROWAN CITY, UTAH

Chair

Attest and Countersign:

By: _____
Secretary

(L B A S E A L)

STATE OF UTAH)
)
 :ss.
COUNTY OF IRON)

In the County of Iron, State of Utah, on this ____ day of _____, 2015, before me, the undersigned notary, personally appeared Donald Landes and Callie Bassett, the Chair and Secretary of the Local Building Authority of Parowan City, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

EXHIBIT A

PROPERTY

That certain Real Property located in Iron County, Utah, to wit:

Change Order No. 2

Date of Issuance: _____ Effective Date: 02.24.15
 Owner: City of Parowan Owner's Contract No.: _____
 Contractor: Ferguson Enterprise, Inc. Contractor's Project No.: _____
 Engineer: Sunrise Engineering, Inc. Engineer's Project No.: 04520
 Project: Center Creek Hydroelectric Penstock Replacement
 Project – Materials Bid

The Contract is modified as follows upon execution of this Change Order:

Description: Increase in Ductile Iron pipe material necessary to finish project. 54 feet extra necessary due to shifting alignment up for change in upper hwy crossing tie-in, 108 feet for Precision bore pipe, and 18 feet to replaced damaged pipe during offloading.

Attachments: Contract Change Order & Revised Bid Schedule

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES [note changes in Milestones if applicable]
Original Contract Price: \$ <u>475,547.80</u>	Original Contract Times: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Increase from previously approved Change Orders No. <u>1</u> : \$ <u>93,706.20</u>	[Increase] [Decrease] from previously approved Change Orders No. <u> </u> to No. <u> </u> : Substantial Completion: _____ Ready for Final Payment: _____ days
Contract Price prior to this Change Order: \$ <u>569,254.00</u>	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Increase of this Change Order: \$ <u>8,681.40</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Contract Price incorporating this Change Order: \$ <u>577,935.40</u>	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____ days or dates

RECOMMENDED:		ACCEPTED:		ACCEPTED:	
By: _____	By: _____	By: _____	By: _____	By: _____	By: _____
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)			
Title: _____	Title _____	Title _____			
Date: _____	Date _____	Date _____			

Approved by Funding Agency (if applicable)

By: _____ Date: _____
 Title: _____

CONTRACT CHANGE ORDER					ORDER NO. 2	
CONTRACT FOR: Center Creek Hydroelectric Penstock Replacement Project - Material Bid					DATE: 02.24.15	
OWNER: City of Parowan					PROJECT NO.	
CONTRACTOR: Ferguson Enterprise, Inc						
You are hereby requested to comply with the following changes from the contract plans and specifications. The following Bid Items will be revised on the Contractor's Bid Schedule						
Bid Item	Description of Changes (Supplemental Drawings & Specifications Attached)	Qty	Unit	Unit Price	Decrease in Contract Price	Increase in Contract Price
1	20" Class 350 Ductile Iron Pipe	180	LF	\$ 48.23	\$ -	\$ 8,681.40
TOTALS					\$ -	\$ 8,681.40
NET CHANGE IN CONTRACT PRICE						\$ 8,681.40
JUSTIFICATION: <u>Bid Item No. 1</u> Increase in Ductile Iron pipe material necessary to finish project. 54 feet extra necessary due to shifting alignment up for change in upper hwy crossing tie-in, 108 feet for Precision bore pipe, and 18 feet to replaced damaged pipe during offloading.						
The amount of the Contract will be increased/decreased by the sum of:					\$ 8,681.40	DOLLARS
The Contract total including this and previous change orders will be:					\$ 577,935.40	DOLLARS
The Contract period provided for completion will (increase)					N/A	
Previous Contract Total Cost:					\$ 569,254.00	DOLLARS
This document will become a supplement to the Contract and all provisions will apply thereto.						
Requested (OWNER) _____ Date: _____ Recommended (ENGINEER) _____ Date: _____ Accepted (CONTRACTOR) _____ Date: _____ Approved (Division of Water Resources) _____ Date: _____						

CITY OF PAROWAN
 CENTER CREEK HYDROELECTRIC PENSTOCK REPLACEMENT PROJECT

NO.	ITEM	C.O.#	QTY	UNIT	Isco Industries, LLC	
					UNIT PRICE	AMOUNT
BID ITEMS - Alternate B Bid Item - Ductile Iron Pipe						
1	20" Class 350 Ductile Iron Pipe	1, 2	9,980	LF	\$ 48.23	\$ 481,335.40
2	20" Class 250 Ductile Iron Pipe	1	2,100	LF	\$ 46.00	\$ 96,600.00
					TOTAL	\$ 577,935.40



February 10, 2015

Shayne Scott
Parowan City
5 South Main, P.O. Box 576
Parowan, UT 84761

Re: Center Creek Hydroelectric Plant Bypass Line Flows and Associated Revenue Loss

Dear Mr. Scott,

The City recently requested that SEI provide some additional information related to estimated revenue losses that would be experienced during high flow periods if excess flows were sent through the proposed bypass line. The current hydroelectric turbine and generator system has a maximum capacity to pass 11 cfs through the system. However, during high water periods, Center Creek produces flows that exceed 11 cfs during runoff season. Although the hydro equipment cannot pass more than 11 cfs, the penstock does have the capacity to carry more than 11 cfs. The relationship between the flow and the power generation potential is such that higher flows through the pipe generate higher friction losses, which decrease power generation. The table below represents the theoretical annual power generation for the system under two conditions based on the historical monthly flow data derived from power generation records from 1985 – 2001. The first scenario represents the condition without the bypass in which flows are limited to 11 cfs, and the second scenario represents the condition with a bypass line which would allow total flow in the penstock to reach 18 cfs.

Annual Production in kWh			% Difference
Year	Max Penstock Flow		
	11 cfs	18 cfs	
1985-86	3,231,552	3,168,886	1.9%
1986-87	3,197,647	3,097,407	3.1%
1987-88	1,917,575	1,851,050	3.5%
1988-89	2,283,572	2,251,804	1.4%
1989-90	2,097,592	2,097,592	0.0%
1990-91	2,053,914	2,053,914	0.0%
1991-92	2,387,543	2,387,543	0.0%
1992-93	2,706,071	2,706,071	0.0%
1993-94	2,614,295	2,593,962	0.8%
1994-95	2,838,609	2,826,637	0.4%
1995-96	2,868,315	2,854,339	0.5%
1996-97	2,594,960	2,579,562	0.6%
1997-98	2,827,760	2,824,511	0.1%
1998-99	3,091,105	3,072,005	0.6%
1999-00	2,414,685	2,244,398	7.1%
2000-01	2,103,410	2,103,410	0.0%
Average	2,576,788	2,544,568	

The annual loss in power generation varies year by year based on the stream flows, but the average annual loss in generation is 1.3%. The years in which the “% Difference” shows up as 0% represent years in which the average monthly flows through the old penstock did not exceed 11 cfs.

The City currently sells the power generated by its hydros as surplus power at 3.7¢/kWh. However, the current retail rate is 9.3¢/kWh, and with increasing coal regulations, the retail rate could increase significantly. According to Von, it is likely that the hydro power will soon receive priority over coal power, and will begin to earn retail rate instead of surplus rate. The following table shows the estimated average annual revenue based on 3.7¢/kWh, 9.3¢/kWh, and 15¢/kWh, and the associated revenue loss that may occur as a result of a bypass line sized to allow 18 cfs through the penstock.

Average Annual Generation @ 11 cfs Max (kWh)			2,576,788
Average Annual Generation @ 18 cfs Max (kWh)			2,544,568
Revenue			Avg. Annual Revenue Loss
Rates	11 cfs	18 cfs	
\$0.037	\$95,341	\$94,149	\$1,192
\$0.093	\$239,641	\$236,645	\$2,996
\$0.150	\$386,518	\$381,685	\$4,833

It should be noted that the bypass line could be sized to accommodate higher flows than 18 cfs. However, the historical flow data leads us to believe that flows in excess of 18 cfs are rare enough that it would not be cost effective to size the piping and valves to accommodate the higher flows. It should also be noted that this information is based on calculated flows that were derived from historical power generation records in the absence of actual stream flow data, and that these values may vary from actual conditions due to meter accuracy, plant outages, and plant capacity. The intent of this analysis is to provide a general estimate of the magnitude of revenue losses associated with the bypass line, and not to attempt to predict future conditions or actual losses.

Please do not hesitate to contact me with any questions, or for additional information.

Sincerely,



Jesse Ralphs, P.E.
Sunrise Engineering, Inc.

Larry **PENDLETON** **BUILDING** Inc.

600 North 45 West
P.O. Box 639
Parowan, UT 84761

Phone: (435) 477-8880
Fax: (435) 477-8101
E-mail: lpb@netutah.com

Parowan City Office Complex & Public Safety Building Cost Breakdown 2-26-15

• Bonding	\$ 35,000.00
• Demolition & Debris Removal	\$ 26,500.00
• Asbestos Removal	\$ 2,500.00
• Excavation, Fill Material, Compaction	\$ 136,634.00
• Site Utilities, & 1 Fire Hydrant	\$ 22,771.00
• Block Fence With 2 Ft. Concrete Wall	\$ 33,750.00
• Asphalt & Striping	\$ 45,500.00
• Foundation & Water Proofing	\$ 48,000.00
• Site Concrete	\$ 39,525.00
• Interior Concrete	\$ 34,000.00
• Framing Materials	\$ 80,000.00
• Framing Labor	\$ 70,000.00
• Steel Brackets & Railing	\$ 10,000.00
• Electrical, Alarm, Transfer Switch, Generator Wiring	\$ 105,200.00
• Light Fixture Allowance	\$ 20,000.00
• Plumbing & HVAC with added Bathroom	\$ 91,000.00
• Fire Sprinklers	\$ 21,000.00
• Insulation	\$ 17,000.00
• Drywall	\$ 49,000.00
• Painting & Wall Treatments	\$ 32,000.00

• Masonry Allowance	\$ 105,000.00
• Stucco, Plastering	\$ 20,000.00
• Window Allowance	\$ 45,000.00
• Door & Hardware Allowance	\$ 45,000.00
• Roofing	\$ 38,000.00
• Facia, Soffit, Flashing, Gutters	\$ 16,000.00
• Tile Allowance	\$ 26,000.00
• Finish Materials	\$ 25,000.00
• Finish Labor	\$ 21,000.00
• Sign Allowance	\$ 10,000.00
• Cabinets, Counter Tops, Mill Work Allowance	\$ 40,000.00
• Floor Covering Allowance	\$ 30,000.00
• Equipment	\$ 15,000.00
• Roll Offs, Porta Potty	\$ 15,000.00
• Clean Up Labor	\$ 15,000.00
• Supervision	\$ 25,000.00
• General Labor	\$ 27,000.00
• Specialty Item Allowance	\$ 40,000.00
• Misc. Items	\$ 10,000.00
• Landscaping Allowance	\$ 20,000.00
• Design Fee	\$ 90,000.00
• Overhead	\$ 111,817.00
• Profit	\$ 170,918.00
<hr/>	
• TOTAL	\$ 1,880,115.00

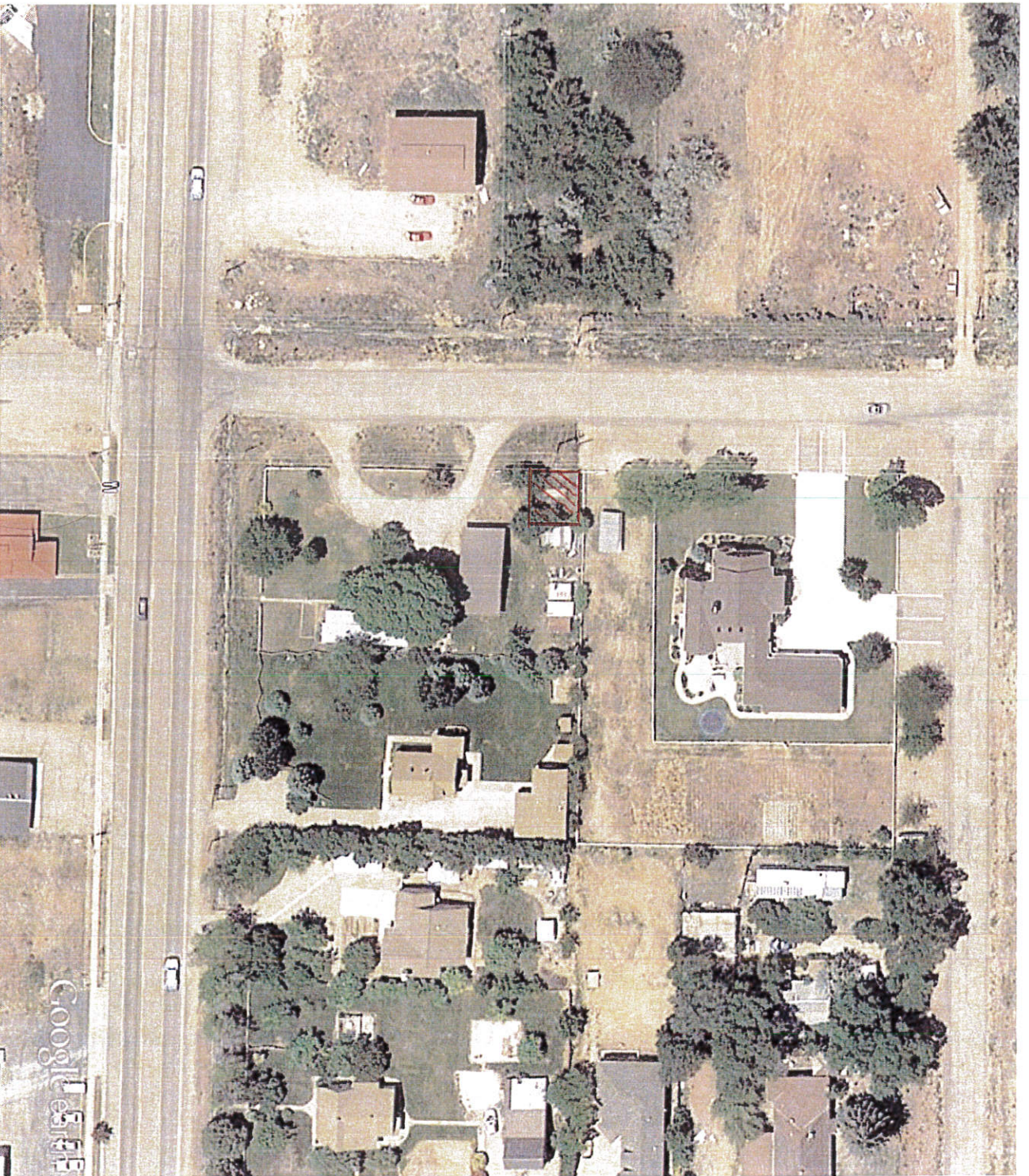
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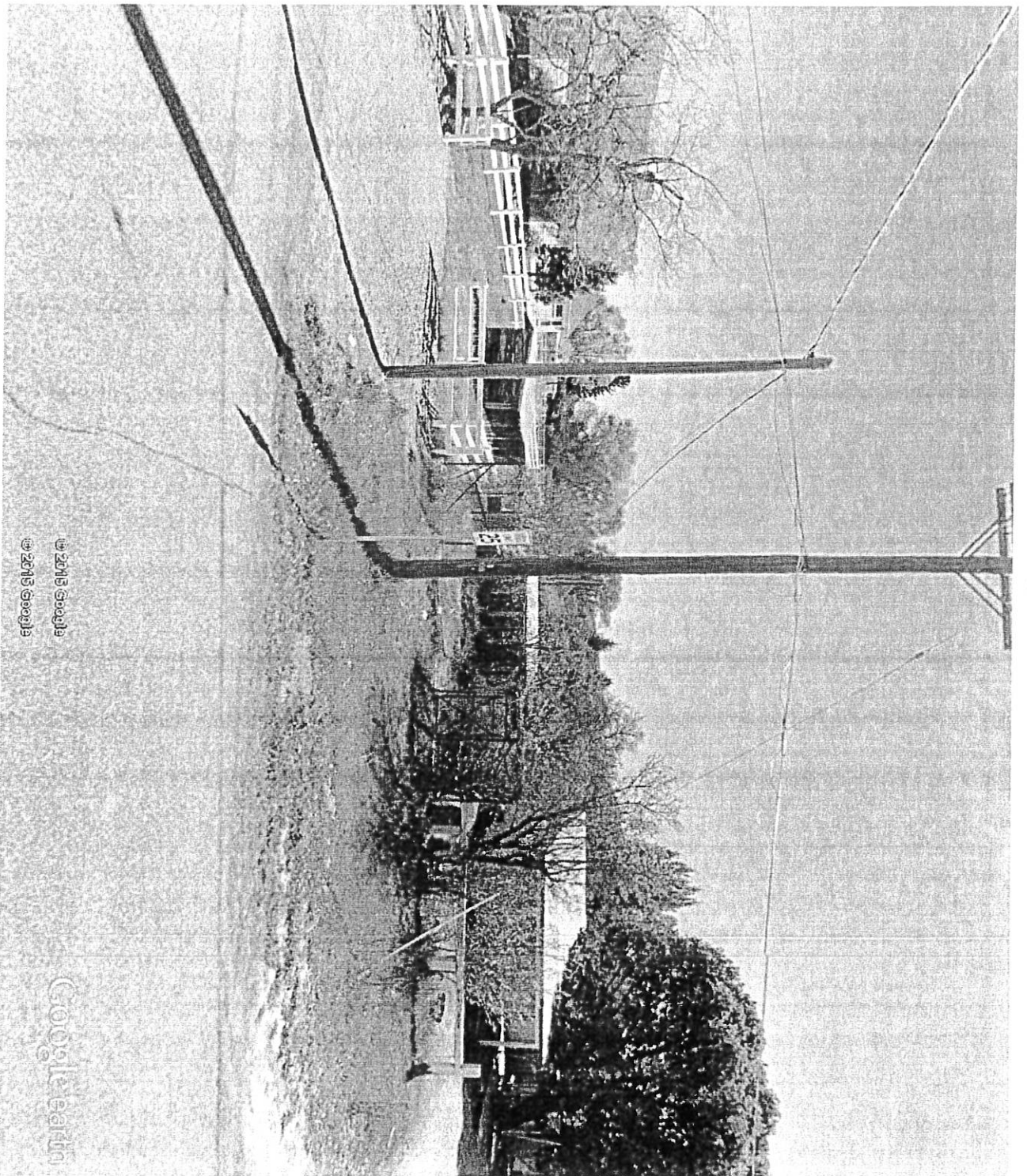


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